

Registered number: 08412045
Charity number: 1152234

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 March 2021

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

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**Reference and administrative details of the Charity, its Trustees and advisers
for the year ended 31 March 2021**

Trustees

Miss L Wilson, Chair
Dr E J Wilcox, Treasurer
Mrs R G Madgwick
Ms H J Planner (resigned 29 July 2021)
Mr F Manoharan
Ms D Jackson, Vice Chair
Ms R K Maslen
Mr A Horton (appointed 10 May 2021)
Mr K Barker (appointed 2 August 2021)

Company registered number

08412045

Charity registered number

1152234

Registered office

The Old Fire Station
Crescent Road
Faversham
Kent
ME13 7GU

Company secretary

Mrs E Thorne (resigned 21 May 2020)
Mrs C E Burgess (appointed 26 May 2020)

Chief executive officer

Mrs E Thorne (resigned 21 May 2020)
Mrs C E Burgess (appointed 26 May 2020)

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Reference and administrative details of the Charity, its Trustees and advisers (continued)
for the year ended 31 March 2021

Independent auditor

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Nat West
13 Market Place
Faversham
Kent
ME13 7AW

Age UK Faversham and Sittingbourne
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Trustees' report
for the year ended 31 March 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year from 1 April 2020 to 31 March 2021. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objectives of the Charity are:

- preventing or relieving the poverty of older people;
- advancing the education of older people;
- preventing or relieving sickness, disease or suffering in older people (whether emotional, mental or physical);
- assisting older people in need by reason of ill-health, disability, financial hardship, social exclusion or other disadvantage; and
- such other charitable purposes for the benefit of older people as the Trustees may from time to time decide, the outcome of this being the promotion of the well-being of older people.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Volunteers

The Charity's work would not be possible without the commitment and contribution made by the enthusiastic volunteers who freely give their time for the benefit of older people in the area.

c. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees of the Charity have had due regard to the Charity Commission's general guidance on public benefit. The Charity's objectives and aims have been reviewed taking this guidance into consideration and are still deemed to be appropriate.

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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance

a. Review of activities

Achievements for the public benefit directly supported an estimated 2000 individuals and have been demonstrated under the following broad headings:

- **Day Services** - The Charity has two centres, one in Faversham and one Sittingbourne. These provide a range of wellbeing services and act as a hub for local older people. Both centres closed their doors due to Covid-19 in the latter part of March 2020 and services within the centre were opened and closed throughout the year based on risk assessments based around the pandemic. Even when doors were opened they were opened to small groups of people. In January 2021, the Sittingbourne centre was handed to the Sittingbourne PCN for the use of a community vaccination hub. The local area was unable to find a site large enough for their use and the centre having a central location and a good space was ideal for this use. This vaccination centre stayed within the Sittingbourne centre for the rest of this financial year. Both of the centre's assisted bathing, foot care and hairdressing services were also closed at the end of March. Footcare and Hairdressing were open and closed depending on Government guidance through the year at the Faversham site.
- **Community Services Meals** - A full review of the catering service was undertaken with the help of an outside Consultant and a decision was made to combine the kitchens into the Faversham site. A complete revamp of menus was also undertaken to ensure inclusivity for all. The requirements for hot meals to be delivered through the pandemic remained high and approx. 80 meals a day were delivered. This service provides a valuable wellbeing check on vulnerable clients as well as ensure a hot, nutritious, freshly cooked meal is delivered. The person who delivers the meal may well be the only person that our client sees all day and so not only is food delivered, but company and a wellbeing check at the same time which has proven to be invaluable to many clients when they have found themselves in difficulty and we have raised the alarm.
- **Hands 2 Help** - The service provides domestic assistance and shopping; this service was invaluable to the community during the pandemic. From April until July this service stopped all bar extremely essential domestic calls and instead completed shopping and prescription collections free of charge across the whole of our community. In September of this year a new gardening service was launched due to the demand from our local community. This service doesn't just provide gardening, it also includes clients in the gardening sessions should they wish to be involved and also offers a weekly welfare check of that person as well as providing company to the person receiving the service. Overall this service can reduce the feelings of loneliness and isolation and reduces the stress of not being able to manage their own garden.
- **Befriending** - This free service was stopped when the first lockdown was announced. Where it was appropriate then telephone befriending carried on. By the end of the year the face to face part of the service was still closed, however the telephone befriending and a newly launched penpal scheme were still in place. This service reduces the impact of loneliness and isolation across our community.
- **Community navigation** - This contract is provided in partnership with other organisations and was vital during the pandemic. This team worked closely with GP Surgeries etc. to ensure clinically extremely vulnerable people were supported as well as existing caseloads.

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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

- Specialist Dementia Services Dementia day care - Dementia day sessions were stopped at the end of March 2020 due to the pandemic. This was devastating for clients and their families and whilst these services were open intermittently we had to find another way of supporting this group. We launched our Fountain Companionship during the pandemic to do this. We saw a devastating decline in cognitive ability of many of our clients living with dementia through the pandemic and an increase in the stresses that their carers were facing. We therefore developed our fountain companionship service to help alleviate these declines.
- Fountain Companionship - This service was launched to enable us to support clients and their families/carers living with dementia. Covid securely we visit on a 1-1 basis. These visits can vary in time length of time and reason. They may provide carer's respite, taking the client to enjoy their favourite hobbies such as golf. It is a truly bespoke 1-1 service which has shown a great impact on our client's and their families/ lives.
- Cogs Clubs – This service was closed due to the pandemic and remained closed throughout the year. This was a huge loss to people living with mild to moderate dementia as they lost the social activity and friendship opportunities with other people living with the same diagnosis. The cognitive stimulation provided by these sessions is proven to have a positive impact and we looked forward to reinstating these services as soon as possible.
- Dementia Cafes - This service was closed for face to face Cafes due to the pandemic, however our dementia outreach coordinator and volunteer continued to run the services virtually once a week. This service grew in numbers through the pandemic and was valued greatly. This virtual service ensured that carers and family members of people living with dementia could access support through the pandemic and also helped reduce the feelings of isolation and loneliness of carers. They could use this time to interact with other people dealing with similar situations and also request further support from our team members who facilitated this service.
- Dementia drop in clinics - This service was closed due to the pandemic and remained closed throughout the year. This has an impact on families and people living with dementia being able to access information and support pre and post dementia diagnosis.
- Information and Advice - This free service continued to offer advice on welfare benefits and associated aspects to many older people, their families and carers across the area through the pandemic. For much of the time this could only be completed by telephone or by virtual means. This was quite difficult for some clients and we introduced a risk assessment to allow some essential home visits. During the year a total of £618,830 in benefit payments was realised by the service.

Governance, structure and management

- The Board of Trustees met monthly throughout the year as did the HR & Finance subcommittee to ensure the Charity was steered through the pandemic. A skills audit and gap analysis was completed through the year and will direct future recruitment of further trustees.

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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

Strategic Direction and Challenges

- The strategic plan that had been created was massively impacted by the Covid pandemic and has led to a pause and reflection. The strategic plan will be reviewed in 2021/22
- Wellbeing grants from Kent County Council were further extended and the commissioning process for this and dementia contracts will commence in July 2021 with a go live date of 2022.
- A restructure of the organisation in line with new services and the requirements of the wellbeing and dementia grants will take place in 2021/22.
- The pandemic caused us to deliver more services in the community, this in turn allowed us to build some new strategic partnerships for service delivery with local housing organisations, local charitable organisations and community groups.

Organisation

- In 2020 the Charity was re awarded its ISO9001 :2015 quality standards.
- A thorough service review was carried out to ensure that the Charity's services were appropriate and sustainable.
- A new finance system Xero was implemented for invoicing in June 2020 and payroll will follow in the next financial year.
- Tagtronics was introduced in January 2021 as a Customer relationship management system for the charity.
- There were price increases through the year for all services to reflect the increase in cost of PPE which had a large impact on the charity.

Clients

- The ability of clients to remain living independently, for as long as they wish to, continues to be the main focus of the Charity's operations.
- Across all services, the Charity supported almost 2,000 individuals in a variety of ways.
- The majority of clients were aged 70+ and the ratio of all clients was 60% female, 40% male.
- Clients were able to give feedback during the year by a variety of means including client forums and feedback surveys.
- The 'Kent Impact Management' system was used during the period to monitor and report on changes in wellbeing amongst a sample client base. Results demonstrated an increase in the wellbeing of clients in the months following their first engagement with the Charity's services.

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Trustees' report (continued)
for the year ended 31 March 2021

Achievements and performance (continued)

Staff and Volunteers

- The Charity employs 60 staff, most of whom work on a part time basis.
- The Charity's work would not be possible without the commitment and contribution made by the enthusiastic volunteers who freely give their time for the benefit of older people in the area.
- During the year there were substantially less volunteers actively involved with the Charity due to the Covid-19 pandemic. We look forward to welcoming them back as restrictions ease further and people feel more comfortable being around others.

Trustees

- All trustees were expected to attend at least one formal training course per year to develop their roles.

Communications and Fundraising

- Social media continues to accumulate further followers and has been a key way to communicate messages through the pandemic.
- A part time fundraiser was recruited into the Charity.
- Local radio and press have been helpful in our communications this year.

b. Fundraising activities and income generation

The Charity has undertaken various fundraising activities but on a much smaller scale than usual during the financial year in order to raise additional funds, with the aim of applying these towards the charitable objectives. The Charity has ensured compliance with the appropriate fundraising regulations.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Much work was done on cost control, efficiency savings and income development, and as such the Board of Trustees are expecting to see further sustainability measures in 2021/22.

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Trustees' report (continued)
for the year ended 31 March 2021

b. Reserves policy

The Charity needs reserves to safeguard its day to day services by maintaining a positive cashflow position without recourse to borrowing. The reserves policy is reviewed when considering the annual budget and setting charges and spending levels for the forthcoming financial year.

A designated fund was created in the comparative period to allow for staff redundancy provision in the event of the Charity being wound up. This had an effect of the level of free reserves, but was felt to be a prudent action.

A working balance of six months gross operating costs is regarded as a reasonable level of free reserves for the Charity to hold. With these costs being an estimated £615,000, the Charity has been able to achieve this target in the 2020/21 financial year.

c. Principal funding

Despite many years of receiving numerous legacies, donations and core funding, these resources remain on the decline. Uncertainty over the cessation of core statutory grants, and the replacement of these with competitive contracts, continues with the local authority once again pausing the engagement process and extending the grants for a further period.

The Trustees have continued to look at other ways to fund required services to the community. Future strategy includes the opening of new services which will be self-sustainable or funded by sources other than statutory funding.

d. Results for the year

The results for the year are set out within the Statement of financial activities, on page 15, and shows a surplus for the year of £215,581 (2020: a deficit of £36,741), with total income of £1,242,599 (2020: £1,195,504) and total expenditure of £1,027,018 (2020: £1,232,245).

As set out on page 16, at the Balance sheet date the Charity holds total funds of £730,886, with £444,066 being held in designated funds, £16,142 in restricted funds, and £270,678 in unrestricted general funds.

Structure, governance and management

a. Constitution

The Charity is controlled by its governing document and constitutes a company, limited by guarantee, as defined by the Companies Act 2006.

The Charity is constituted under a Memorandum of Association and is a registered charity number 1152234.

b. Methods of appointment or election of Trustees

Age UK Faversham and Sittingbourne recognises that effective trustee recruitment and training is one of the fundamental principles underpinning its governance. The Charity also recognises that members of the governing body should have a diverse range of skills, experience and knowledge. Furthermore, they should represent stakeholders and service users and aim to reflect the local community.

The recruitment process is undertaken openly with all prospective candidates being given a realistic understanding of the duties involved and the remit and the structure of the Charity. All Trustees are recruited in accordance with the Charity's governing document.

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Trustees' report (continued)
for the year ended 31 March 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

General control and management of the administration of the Charity is carried out by the Board of Trustees who are appointed by way of nomination and election by the membership in accordance with the procedures detailed in the governing documents. The Board of Trustees is authorised to appoint new trustees to fill vacancies through resignation or death of an existing trustee. Prospective trustees are interviewed by the Chair and Chief Executive Officer and, if appointed, are provided with a role description and are required to undertake induction training in the work of the organisation and its policies and procedures.

Trustees formulate the strategic direction of the Charity and have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise. Responsibility for day to day management of services is delegated to the Chief Executive Officer.

Systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variance of budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties;
- identification and management of risk, and;
- regular review of the Charity's policies and procedures.

The Charity is a Brand Partner of Age UK and is required to meet the national Charity Quality Standards laid down by them.

d. Policies adopted for the induction and training of Trustees

New trustees are given an information pack which includes copies of the Charity's governing documents and other relevant information. They are also given induction training and the support that they require to undertake their duties effectively. Ongoing training is identified through annual reviews and arrangements made for relevant training to be provided from either the Charity or other external sources.

Trustees also receive regular briefings on the work of the Charity to help them ensure that its stated aims and objectives are being carried out in a proper manner within the financial resources available for that purpose.

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Trustees' report (continued)
for the year ended 31 March 2021

Structure, governance and management (continued)

e. Risk management

The Charity continues to positively manage risk as a high priority. Risks are identified by the Board of Trustees on a regular basis against a Risk Register, which is updated as necessary. Guidance and instruction to the Board from the Charity Commission about managing risk is regularly reviewed and implemented.

The main risks that face the Charity are:

- Loss of core grants from the Local Authority which would represent a significant loss of income.
- Unplanned capital expenditure on repairs and replacements to premises and vehicles.
- Reduced demand for services.
- Increased cost of providing services.
- Competition for some services from other local providers.

f. Employee involvement

Employees have been consulted on issues of concern to them by means of regular check-ins, appraisal and staff meetings, and have been kept informed on specific matters directly by management, this has been mainly by electronic means during this year due to the pandemic. The Charity has implemented a number of detailed policies and procedures in relation to all aspects of personnel and service delivery matters, including: equality and diversity; health and safety; the protection of vulnerable adults; data protection; and confidentiality etc.

An annual strategy day, involving Trustees and senior staff did not go ahead this year due to Covid-19, however will go ahead in the forthcoming year.

g. Covid-19

The Covid-19 pandemic has had a massive impact across every aspect of our organisation. The changes in Government guidance and lockdown requirements put huge pressure on the senior leadership team of the Charity to ensure all employees, volunteers and our clients remained as safe as possible whilst continuing to support our clients to ensure they were still receiving vital services and ensuring feelings of loneliness and isolation was kept as low as possible.

The Charity has full robust Covid risk assessments for all services and whilst being in the one of the highest areas in the Country for Covid-19 cases had only one staff member test positive for Covid-19 to date.

The full impact of the pandemic on the UK economy is yet to be seen, but the Charity will continue to seek to mitigate this risk by following the UK Government's guidelines and adapting/developing its own internal strategy.

Our clients have lost their day to day physical contact via our day centres, our dementia clients have not been receiving the stimulation and social interaction that they need and their carers have really struggled with isolation and 24/7 care requirements.

Closure of some services resulted in our income reducing and the Charity had to re-evaluate their way of delivering services. The changes that have been made will be carried forward into our post pandemic world.

We have made significant changes to the services we will operate moving forward, social distancing is a real challenge, given the limited space we have and the vulnerability of our client base, that said, both the management team and board of trustees feel very hopeful and positive for the future. We are exploring areas of new income and ways in which to grow our current business.

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Trustees' report (continued)
for the year ended 31 March 2021

Plans for future periods

The appointment of an experienced Chief Executive Officer has strengthened the Charity's day to day management and strategic vision. The Charity continues to seek to control costs in all areas and to achieve as much sustainable income as possible.

Key areas for the future include the expansion and development of our services for people living with dementia, and their carers.

Funding continues to be both a key risk and a key priority for the Charity. The move by Kent County Council away from core grants, and towards contracts, continues and it is anticipated that some services will see this transformation in the coming year. Obtaining contracted income would be beneficial in that the future financial position can be better managed through the knowledge of defined contract periods. However, the risk of not winning tenders and losing key funding remains a possibility.

The last three years have been a very difficult time for the Charity, but Trustees are confident that a Board with a broad skill set and a strong management team have ensured that a corner has been turned both operationally and financially. The Charity's purpose is to meet the needs of the over 55's in the community we serve, and Trustees are confident that this will continue to be achieved.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its income and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

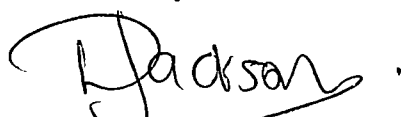
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the Board of Trustees on
their behalf by:

22/10/21

and signed on



Ms D Jackson
Vice Chair



Dr E J Wilcox
Treasurer

Age UK Faversham and Sittingbourne
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Independent auditor's report to the Members of Age UK Faversham and Sittingbourne

Opinion

We have audited the financial statements of Age UK Faversham and Sittingbourne (the 'Charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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Independent auditor's report to the Members of Age UK Faversham and Sittingbourne (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent auditor's report to the Members of Age UK Faversham and Sittingbourne (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 (to leave in for charitable companies but remove for unincorporated charities) and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to: posting inappropriate journal entries to increase revenue or reduce expenditure; and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Physical inspection of tangible assets susceptible to fraud or irregularity; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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Independent auditor's report to the Members of Age UK Faversham and Sittingbourne (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Chartered Accountants
Statutory Auditor

Chatham Maritime

Date: 10 November 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 March 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|-------------|--|--|---------------------------------------|---------------------------------------|
| Income from: | | | | | |
| Donations and legacies | 3 | 745,983 | 103,227 | 849,210 | 541,559 |
| Charitable activities | 4 | 384,351 | - | 384,351 | 623,153 |
| Other trading activities | 5 | 43 | - | 43 | 26,545 |
| Investments | 6 | 8,995 | - | 8,995 | 4,247 |
| | | <u>1,139,372</u> | <u>103,227</u> | <u>1,242,599</u> | <u>1,195,504</u> |
| Total income | | | | | |
| Expenditure on: | | | | | |
| Raising funds | 7 | 338 | - | 338 | 12,467 |
| Charitable activities | 8 | 935,195 | 91,485 | 1,026,680 | 1,219,778 |
| | | <u>935,533</u> | <u>91,485</u> | <u>1,027,018</u> | <u>1,232,245</u> |
| Total expenditure | | | | | |
| Net income/(expenditure) | | 203,839 | 11,742 | 215,581 | (36,741) |
| Transfers between funds | 16 | (2,905) | 2,905 | - | - |
| | | <u>200,934</u> | <u>14,647</u> | <u>215,581</u> | <u>(36,741)</u> |
| Net movement in funds | | | | | |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 513,810 | 1,495 | 515,305 | 552,046 |
| Net movement in funds | | 200,934 | 14,647 | 215,581 | (36,741) |
| | | <u>714,744</u> | <u>16,142</u> | <u>730,886</u> | <u>515,305</u> |
| Total funds carried forward | | | | | |

The notes on pages 20 to 37 form part of these financial statements.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)
Registered number: 08412045

Balance sheet
as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|-------------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 309,353 | 355,256 |
| Current assets | | | |
| Stocks | 12 | 2,437 | - |
| Debtors | 13 | 44,033 | 72,529 |
| Cash at bank and in hand | | 498,804 | 179,039 |
| | | <u>545,274</u> | <u>251,568</u> |
| Creditors: amounts falling due within one year | 14 | (71,506) | (33,353) |
| Net current assets | | <u>473,768</u> | <u>218,215</u> |
| Total assets less current liabilities | | <u>783,121</u> | <u>573,471</u> |
| Creditors: amounts falling due after more than one year | 15 | (52,235) | (58,166) |
| Total net assets | | <u><u>730,886</u></u> | <u><u>515,305</u></u> |
| Charity funds | | | |
| Restricted funds | 16 | 16,142 | 1,495 |
| Unrestricted funds | 16 | 714,744 | 513,810 |
| Total funds | | <u><u>730,886</u></u> | <u><u>515,305</u></u> |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)
Registered number: 08412045

Balance sheet (continued)
as at 31 March 2021

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on **22/10/21** and signed on their behalf by:



Ms D Jackson
Vice Chair



Dr E J Wilcox
Treasurer

The notes on pages 20 to 37 form part of these financial statements.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 March 2021

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Cash flows from operating activities | | |
| Net cash used in operating activities (see note 19) | 216,923 | (61,679) |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 8,995 | 4,247 |
| Proceeds from the sale of tangible fixed assets | 152,500 | 1,130 |
| Purchase of tangible fixed assets | (55,369) | (64,915) |
| Net cash provided by/(used in) investing activities | 106,126 | (59,538) |
| Cash flows from financing activities | | |
| Cash inflows from new borrowing | - | 59,566 |
| Repayments of borrowing | (3,284) | - |
| Net cash (used in)/provided by financing activities | (3,284) | 59,566 |
| Change in cash and cash equivalents in the year | 319,765 | (61,651) |
| Cash and cash equivalents at the beginning of the year | 179,039 | 240,690 |
| Cash and cash equivalents at the end of the year | 498,804 | 179,039 |

The notes on pages 20 to 37 form part of these financial statements

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

1. General information

Age UK Faversham and Sittingbourne is a company limited by guarantee with the company registration number 08412045 and the charity registration number 1152234. The address of the registered office is 2 Middle Row, Faversham, Kent, ME13 7AJ. The main objects of the Charitable Company are to: prevent or relieve the poverty of older people; to advance the education of older people; to prevent or relieve sickness, disease or suffering in older people (whether emotional, mental or physical); to assist older people in need by reason of ill-health, disability, financial hardship, social exclusion or other disadvantage; and such other charitable purposes for the benefit of older people as the trustees may from time to time decide, the outcome of this being the promotion of the well-being of older people.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Age UK Faversham and Sittingbourne meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The Charity is a company limited by guarantee. The members of the Company are the Trustees. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

2.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the Covid-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases:

| | |
|-----------------------|------------------------|
| Freehold property | - 2% straight line |
| Motor vehicles | - 20% reducing balance |
| Fixtures and fittings | - 25% straight line |

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

2. Accounting policies (continued)

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | 37,829 | 6,500 | 44,329 | 21,565 |
| Legacies | 20,016 | - | 20,016 | 57,545 |
| Grants | 4,299 | 29,826 | 34,125 | 52,224 |
| Government grants | 683,839 | 66,901 | 750,740 | 410,225 |
| | 745,983 | 103,227 | 849,210 | 541,559 |
| Total 2020 | 514,199 | 27,360 | 541,559 | |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

4. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-------------------------|--|---------------------------------------|---------------------------------------|
| Day care | 15,785 | 15,785 | 217,937 |
| Community meals | 239,295 | 239,295 | 145,507 |
| Bathing and nail care | 441 | 441 | 15,710 |
| Dementia day care | 25,208 | 25,208 | 57,784 |
| Age U Can & COGS's club | 8,710 | 8,710 | 186,215 |
| Hands to Help | 94,912 | 94,912 | - |
| | <u>384,351</u> | <u>384,351</u> | <u>623,153</u> |
| | <u>623,153</u> | <u>623,153</u> | |
| Total 2020 | | | |

5. Income from other trading activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------|--|---------------------------------------|---------------------------------------|
| Fundraising activities | 43 | 43 | 19,316 |
| Shop income | - | - | 7,229 |
| | <u>43</u> | <u>43</u> | <u>26,545</u> |
| | <u>26,545</u> | <u>26,545</u> | |
| Total 2020 | | | |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--------------------------|--|---------------------------------------|---------------------------------------|
| Rent receivable | 8,814 | 8,814 | 3,850 |
| Deposit account interest | 181 | 181 | 397 |
| | <u>8,995</u> | <u>8,995</u> | <u>4,247</u> |
| Total 2020 | <u>4,247</u> | <u>4,247</u> | |

7. Expenditure on raising funds

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------|--|---------------------------------------|---------------------------------------|
| Fundraising activities | 338 | 338 | 12,467 |
| | <u>12,467</u> | <u>12,467</u> | |
| Total 2020 | <u>12,467</u> | <u>12,467</u> | |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

8. Analysis of expenditure by activities

| | Direct costs 2021 £ | Support costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------|--|---|---------------------------------------|---------------------------------------|
| Charitable activities | 590,305 | 436,375 | 1,026,680 | 1,219,778 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total 2020 | 658,861 | 560,917 | 1,219,778 | |
| | <hr/> | <hr/> | <hr/> | |

Analysis of direct costs

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------|--|--|---------------------------------------|---------------------------------------|
| Catering costs | 78,390 | - | 78,390 | 104,017 |
| Motor and travel expenses | 31,481 | 2,056 | 33,537 | 69,024 |
| Restricted grant expenditure | - | 27,744 | 27,744 | - |
| Wages and salaries | 379,659 | 48,684 | 428,343 | 462,770 |
| Social security costs | 13,849 | 3,372 | 17,221 | 17,570 |
| Pension costs | 4,185 | 885 | 5,070 | 5,480 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 507,564 | 82,741 | 590,305 | 658,861 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total 2020 | 638,237 | 20,624 | 658,861 | |
| | <hr/> | <hr/> | <hr/> | |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

Analysis of support costs

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Staff training | 2,724 | - | 2,724 | 5,360 |
| Rent and room hire | 17,604 | - | 17,604 | 23,347 |
| Bad debts | 7,447 | - | 7,447 | (4,861) |
| Light, heat and water rates | 14,784 | - | 14,784 | 10,534 |
| Bank charges and interest | 5,225 | - | 5,225 | 6,725 |
| Insurance | 9,910 | - | 9,910 | 13,565 |
| Repairs and maintenance | 64,180 | - | 64,180 | 63,442 |
| Leasing costs | 8,338 | - | 8,338 | 8,342 |
| Printing, postage, stationery and telephone | 12,483 | 8,699 | 21,182 | 22,729 |
| Legal and professional fees | 12,919 | - | 12,919 | 17,950 |
| Auditors' remuneration | 6,912 | - | 6,912 | 6,048 |
| Loss / (profit) on disposal of fixed assets | (74,354) | - | (74,354) | 1,119 |
| Miscellaneous expenses | 8,112 | 45 | 8,157 | 17,007 |
| Wages & salaries | 291,535 | - | 291,535 | 324,249 |
| Social security costs | 12,578 | - | 12,578 | 17,820 |
| Pension costs | 4,108 | - | 4,108 | 4,999 |
| Depreciation | 23,126 | - | 23,126 | 22,542 |
| | <u>427,631</u> | <u>8,744</u> | <u>436,375</u> | <u>560,917</u> |
| Total 2020 | <u>551,630</u> | <u>9,287</u> | <u>560,917</u> | |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

9. Staff costs

| | 2021 | 2020 |
|-----------------------|-----------------------|----------------|
| | £ | £ |
| Wages and salaries | 719,878 | 787,019 |
| Social security costs | 29,799 | 35,390 |
| Pension costs | 9,178 | 10,479 |
| | <u>758,855</u> | <u>832,888</u> |

During the 2020/21 financial year the Charity made contractual redundancy payments amounting to £9,194 (2020: £13,506), which are included in the wages and salaries costs shown above.

The average number of persons employed by the Charity during the year was as follows:

| 2021 | 2020 |
|------------------|------------|
| No. | No. |
| 61 | 50 |
| <u>61</u> | <u>50</u> |

The average headcount expressed as full-time equivalents was:

| 2021 | 2020 |
|------------------|------------|
| No. | No. |
| 44 | 38 |
| <u>44</u> | <u>38</u> |

No employee received remuneration amounting to more than £60,000 in either year.

The remuneration and benefits received by the key management personnel in the year, including employer's national insurance contributions, amounted to £63,218 (2020: £77,463).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

11. Tangible fixed assets

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|---------------------------|------------------------|-------------------------------|----------------|
| Cost or valuation | | | | |
| At 1 April 2020 | 327,822 | 89,216 | 103,356 | 520,394 |
| Additions | 11,743 | 25,400 | 18,226 | 55,369 |
| Disposals | (57,478) | (75,734) | (17,765) | (150,977) |
| At 31 March 2021 | <u>282,087</u> | <u>38,882</u> | <u>103,817</u> | <u>424,786</u> |
| Depreciation | | | | |
| At 1 April 2020 | 28,570 | 55,555 | 81,013 | 165,138 |
| Charge for the year | 4,505 | 6,529 | 12,092 | 23,126 |
| On disposals | (5,746) | (49,320) | (17,765) | (72,831) |
| At 31 March 2021 | <u>27,329</u> | <u>12,764</u> | <u>75,340</u> | <u>115,433</u> |
| Net book value | | | | |
| At 31 March 2021 | <u>254,758</u> | <u>26,118</u> | <u>28,477</u> | <u>309,353</u> |
| At 31 March 2020 | <u>299,252</u> | <u>33,661</u> | <u>22,343</u> | <u>355,256</u> |

It is not considered practicable or a commercial use of resources to have the land and buildings valued for the purpose of stating a market value in the financial statements. Land and buildings are held at cost less depreciation and the Trustees consider the market value to be considerably greater than the carrying value in the financial statements.

The cost of the land, included within the cost of freehold property is estimated at £75,000. The land has not been depreciated in line with generally accepted accounting practice.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

12. Stocks

| | 2021 £ | 2020 £ |
|--------|-----------|-----------|
| Stocks | 2,437 | - |

13. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|---------------|---------------|
| Due within one year | | |
| Trade debtors | 42,863 | 69,625 |
| Prepayments and accrued income | 1,170 | 2,904 |
| | <u>44,033</u> | <u>72,529</u> |

14. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|---------------|---------------|
| Bank loans | 4,060 | 1,413 |
| Trade creditors | 22,142 | 16,391 |
| Other taxation and social security | 8,162 | 7,597 |
| Other creditors | 250 | 1,904 |
| Accruals and deferred income | 36,892 | 6,048 |
| | <u>71,506</u> | <u>33,353</u> |

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

15. Creditors: Amounts falling due after more than one year

| | 2021 | 2020 |
|------------|----------------------|---------------|
| | £ | £ |
| Bank loans | 52,235 | 58,166 |
| | <u>52,235</u> | <u>58,166</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | 2021 | 2020 |
|-------------------------------------|----------------------|---------------|
| | £ | £ |
| Payable or repayable by instalments | 35,995 | 48,474 |
| | <u>35,995</u> | <u>48,474</u> |

The Charity has a loan outstanding with the Charity Bank. This loan is secured against some of the land and buildings owned by the Charity, being those located at: 2 Middle Row, Faversham, Kent, ME13 7AJ; and The Old Fire Station, Crescent Road, Faversham, Kent, ME13 7GU.

Age UK Faversham and Sittingbourne
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2021

16. Statement of funds

Statement of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2021 £ |
|---------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Fixed Asset Fund | 355,256 | 20,016 | (23,126) | (42,793) | 309,353 |
| Redundancy Fund | 111,426 | - | (9,194) | 32,481 | 134,713 |
| | <u>466,682</u> | <u>20,016</u> | <u>(32,320)</u> | <u>(10,312)</u> | <u>444,066</u> |
| General funds | | | | | |
| General Funds | <u>47,128</u> | <u>1,119,356</u> | <u>(903,213)</u> | <u>7,407</u> | <u>270,678</u> |
| Total Unrestricted funds | <u>513,810</u> | <u>1,139,372</u> | <u>(935,533)</u> | <u>(2,905)</u> | <u>714,744</u> |
| Restricted funds | | | | | |
| Living Well | 548 | 20,000 | (20,548) | - | - |
| Day Centre Refurbishments | 480 | - | - | (480) | - |
| Restricted Donations Various | 467 | 6,500 | - | 480 | 7,447 |
| Restricted Grants Various | - | 9,156 | (9,156) | - | - |
| Age UK Emergency Fund | - | 6,652 | (6,652) | - | - |
| Dementia Cafes | - | 4,590 | - | - | 4,590 |
| ICF | - | 9,262 | (9,262) | - | - |
| WCF | - | 3,151 | (3,151) | - | - |
| Colyer Ferguson | - | 9,428 | (3,709) | (1,614) | 4,105 |
| Charity Loan Spend | - | - | (4,519) | 4,519 | - |
| Care Navigator | - | 34,488 | (34,488) | - | - |
| | <u>1,495</u> | <u>103,227</u> | <u>(91,485)</u> | <u>2,905</u> | <u>16,142</u> |
| Total of funds | <u>515,305</u> | <u>1,242,599</u> | <u>(1,027,018)</u> | <u>-</u> | <u>730,886</u> |

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Notes to the financial statements
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16. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|---------------------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| Fixed Asset Fund | 315,132 | - | (22,542) | 62,666 | 355,256 |
| Redundancy Fund | 90,000 | - | - | 21,426 | 111,426 |
| | <u>405,132</u> | <u>-</u> | <u>(22,542)</u> | <u>84,092</u> | <u>466,682</u> |
| General funds | | | | | |
| General Funds | 142,868 | 1,168,144 | (1,179,792) | (84,092) | 47,128 |
| | <u>142,868</u> | <u>1,168,144</u> | <u>(1,179,792)</u> | <u>(84,092)</u> | <u>47,128</u> |
| Total Unrestricted funds | <u>548,000</u> | <u>-</u> | <u>(1,202,334)</u> | <u>-</u> | <u>513,810</u> |
| Restricted funds | | | | | |
| Living Well | 4,046 | 20,000 | (23,498) | - | 548 |
| Day Centre Refurbishments | - | 6,480 | (6,000) | - | 480 |
| Restricted Donations Various | - | 880 | (413) | - | 467 |
| | <u>4,046</u> | <u>27,360</u> | <u>(29,911)</u> | <u>-</u> | <u>1,495</u> |
| Total of funds | <u>552,046</u> | <u>27,360</u> | <u>(1,232,245)</u> | <u>-</u> | <u>515,305</u> |

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Designated Funds

Fixed Assets Fund

The designated fixed asset fund is comprised of the Charity's fixed assets. The depreciation charge for the year, of £23,126, has then been allocated against the fund, with the closing balance of the fund representing the closing net book value of these fixed assets as at 31 March 2021.

Redundancy Fund

This fund comprises an amount set aside by the Trustees, to be used for potential redundancies in the future.

Restricted Funds

Living Well

In partnership with Age UK Herne Bay and Whitstable, Age UK National, Kent County Council Social Services, Clinical Commissioning and Kent Hospital Trusts, the charity continue the Living Well scheme, in order to provide social care to support older patients, with long-term conditions, to regain their independence. The Living Well fund represents the balance of the restricted grant funding that remained unspent at the year end.

Day Centre Refurbishment Fund

These are donations made to the Charity to help fund refurbishment projects at the Day Centres.

Sundry Restricted Funds

The other trivial fund balances are all for various specific purposes.

17. Summary of funds

Summary of funds - current year

| | Balance at 1 April 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2021 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Designated funds | 466,682 | 20,016 | (32,320) | (10,312) | 444,066 |
| General funds | 47,128 | 1,119,356 | (903,213) | 7,407 | 270,678 |
| Restricted funds | 1,495 | 103,227 | (91,485) | 2,905 | 16,142 |
| | <u>515,305</u> | <u>1,242,599</u> | <u>(1,027,018)</u> | <u>-</u> | <u>730,886</u> |

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17. Summary of funds (continued)

Summary of funds - prior year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Balance at 31 March 2020 £ |
|------------------|---------------------------------|------------------|--------------------|--------------------------|-------------------------------------|
| Designated funds | 405,132 | - | (22,542) | 84,092 | 466,682 |
| General funds | 142,868 | 1,168,144 | (1,179,792) | (84,092) | 47,128 |
| Restricted funds | 4,046 | 27,360 | (29,911) | - | 1,495 |
| | <u>552,046</u> | <u>1,195,504</u> | <u>(1,232,245)</u> | <u>-</u> | <u>515,305</u> |

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 309,353 | - | 309,353 |
| Current assets | 529,132 | 16,142 | 545,274 |
| Creditors due within one year | (71,506) | - | (71,506) |
| Creditors due in more than one year | (52,235) | - | (52,235) |
| Total | <u>714,744</u> | <u>16,142</u> | <u>730,886</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets | 355,256 | - | 355,256 |
| Current assets | 250,073 | 1,495 | 251,568 |
| Creditors due within one year | (33,353) | - | (33,353) |
| Creditors due in more than one year | (58,166) | - | (58,166) |
| Total | <u>513,810</u> | <u>1,495</u> | <u>515,305</u> |

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Notes to the financial statements
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19. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|----------------|-----------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 215,581 | (36,741) |
| Adjustments for: | | |
| Depreciation charges | 23,126 | 22,542 |
| Dividends, interests and rents from investments | (8,995) | (4,247) |
| Loss/(profit) on the sale of fixed assets | (74,354) | 1,119 |
| Decrease/(increase) in stocks | (2,437) | - |
| Decrease in debtors | 28,496 | 4,543 |
| Increase/(decrease) in creditors | 35,506 | (48,895) |
| Net cash provided by/(used in) operating activities | 216,923 | (61,679) |

20. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Cash in hand | 498,804 | 179,039 |
| Total cash and cash equivalents | 498,804 | 179,039 |

21. Analysis of changes in net debt

| | At 1 April 2020 £ | Cash flows £ | Other non- cash changes £ | At 31 March 2021 £ |
|--------------------------|-------------------------|-----------------|------------------------------------|--------------------------|
| Cash at bank and in hand | 179,039 | 319,765 | - | 498,804 |
| Debt due within 1 year | (1,413) | - | (2,647) | (4,060) |
| Debt due after 1 year | (58,166) | - | 5,931 | (52,235) |
| | 119,460 | 319,765 | 3,284 | 442,509 |

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22. Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £9,178 (2020: £10,479). Contributions totalling £Nil (2020: £1,904) were payable to the fund at the Balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Not later than 1 year | 9,013 | 10,398 |
| Later than 1 year and not later than 5 years | 1,920 | 4,183 |
| | <u>10,933</u> | <u>14,581</u> |

24. Related party transactions

Dr E J Wilcox, Trustee, is also a member of Swale Borough Council. During the financial year, the Charity made payments to Swale Borough Council, of £Nil (2020: £7,678). There are no amounts outstanding at the Balance sheet date (2020: £Nil).

Dr E J Wilcox, Trustee, is also a trustee of The Rotary Club of Faversham Trust Fund. During the financial year, the Charity received income from The Rotary Club of Faversham Trust Fund, of £500 (2020: £Nil). There are no amounts outstanding at the Balance sheet date (2020: £Nil).