

**Charity number: 1155211**

**Age UK Sheppey**

**Unaudited**

**Trustees' report and financial statements**

**For the year ended 31 March 2023**

## **Age UK Sheppey**

### **Contents**

	Page
<b>Reference and administrative details of the Charity, its Trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 6
<b>Independent examiner's report</b>	7
<b>Statement of financial activities</b>	8
<b>Balance sheet</b>	9
<b>Notes to the financial statements</b>	10 - 23

## Age UK Sheppey

### Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 March 2023

<b>Trustees</b>	Mr A Doucy, Chair Mr N Martin Mr P Murray Mr P Taylor (resigned 31 August 2022) Mrs S Wigglesworth (resigned 30 May 2022)
<b>Charity registered number</b>	1155211
<b>Principal office</b>	43 Trinity Road Sheerness Kent ME12 2PF
<b>Chief executive officer</b>	Ms C Burgess (resigned 31 August 2022) Mrs L Nowell Hitchcock (appointed 05 October 2022)
<b>Accountants</b>	Kreston Reeves LLP Chartered Accountants Statutory Auditor Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU
<b>Bankers</b>	Barclays Bank 12 Broadway Sheerness Kent ME12 1AE

## **Age UK Sheppey**

### **Trustees' report**

**For the year ended 31 March 2023**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2022 to 31 March 2023.

### **Objectives and activities**

#### **a. Policies and objectives**

The Charity's aim is to increase the reach of Age UK Sheppey CIO, enabling more people to access beneficial support, to promote the wellbeing of all older people and to make later life a fulfilling and enjoyable experience.

Key objectives are to:

- Maintain and continue to develop quality social opportunities.
- Continue developing our core community services including home support, meals delivery, befriending, companionship to support more people in their own homes assisting them to live independently for longer
- Increase the capacity of service users on our Information and Advice services.
- Listen to older people, identifying their needs to be able to offer person-centred support wherever possible
- Expand upon existing services as well as establish new wellbeing services to meet identified needs e.g. people with a cognitive impairment, suffering ill-health, disability, feeling socially isolated, facing financial hardship, etc.
- Expand upon the number of volunteers supporting our services.
- Remain compliant with all Policies and Procedures

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. Strategies for achieving objectives**

To enable us to achieve our objectives to a wider audience, we have adopted a number of strategies to assist us, including:

- Working closely with an extensive array of local organisations to collectively provide more coherent and coordinated support for older people, their carers and families in our local community.
- Working in partnership with our local GP surgeries (Sheppey Primary Care Network), Community Navigators and KCC Community Wardens to share resources, signpost to a wide range of community initiatives and link like-minded people together to help reduce loneliness and isolation.
- Continue to work closely with our Kent Age UK's / Age Concerns since losing local government Kent County Council grant funding. Working together to joint bid on future funding opportunities.
- Seeking external funding to assist and enhance both our in-house centre-based and community services on offer.
- Continue to recruit and retain multi-skilled staff and volunteers to enhance and strengthen our existing team including providing appropriate training and development opportunities for them all.
- Maintaining both our ISO 9001:2015 and Age UK's Charity Quality Standards certifications which as recognised by Charity Commission and have been upheld by our organisation since 2014 undergoing regular inspections.
- Our ongoing strategy very much includes promoting greater awareness of the services that Age UK Sheppey CIO can provide in order to ensure we have a greater impact within our local community. We continue to raise our profile with the aid of local press, radio stations, working collaboratively with local businesses and similar organisations as well as utilising our own social media sites and website resources. Utilising our new Community Connector to attend networking events and promote within the local community.
- Alongside developing our existing services, we continue to explore the introduction of additional services in conjunction with our current activities offered and which can provide added benefit to all clients.



**Trustees' report (continued)  
For the year ended 31 March 2023**

**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

- Day Services – including social day clubs, dementia support, footcare, and hearing aid battery exchange.
- Community Services – including freshly cooked, homemade hot and cold meals delivery, home support, restricted level of companionship, shopping and prescription collections/deliveries and welfare calls/visits.
- Setting up new services Handy Man Service, Mini Gardening Service and New Dementia Day.
- Information and Advice – New drop in service provided by link agreement with Age UK Faversham
- Marketing and advertising our services via local press and radio, leaflet distribution, collection tins held by local businesses and key establishments, working in collaboration with other similar networking groups, as well as utilising our own website, social media outlets and our Community Connector.
- Actively working in conjunction with similar organisations including Sheppey Primary Care Network, Imago, Sheppey Dementia Friendly Community, Lighthouse Group, Sheppey Community Development Forum, local housing associations and local council focus groups to raise awareness and make improvements to support and aid all residents. Working with Age UK Faversham and other local organisations on collaborative projects.
- Fundraising events and activities, raffles, and donations both inhouse and via social media. Arranging events for local residents to hold stalls and help us fund raise, lead by our Community Connector and Management team. Increase our Community Connectors hours to include an activity day in the centre.
- Volunteering – including recruiting individuals both on a regular and ad-hoc basis. Connecting with Swale Voluntary Services, local Job Centre, and local Collages, to promote and help build our volunteer team. Looking at our befriending services and training volunteers to be included in this service.
- Regular internal and external reviews of all services by means of regular meetings for management teams, departmental teams and volunteers. To include team meetings and team building exercises, Spot checks for Home Support Staff, Staff reviews and regular Staff briefings and appraisals

**d. Impact**

The Isle of Sheppey is located off the northern coast of Kent, made up of six main electoral wards and covers an area of 36 square miles. Sheppey suffers from a high proportion of deprivation and isolation along with lack of employment opportunities, community facilities, insufficient infrastructure with a rather sporadic public transport system. It is estimated around 23% of Sheppey's population is over 65, with around 3% being over 85 and is a popular retirement location.

The number of people reaching out to Age UK Sheppey increases year on year with demand on our services becoming more and more stretched due to restrictive funding available. With such a vast area to cover across Sheppey along with quite often feeling like a closed off community from the mainland, it is apparent how our services are critical to local residents. We are told on a regular basis how we provide a much-needed lifeline, not only direct to service users, but also their families and friends too. With our team being readily available, we are able to help relieve tension and worry by providing a 'one stop shop' empowering older people and providing them with the tools and skills to live independently for longer.

Without our core services on offer and the social opportunities we provide, we have no doubt many older people living on Sheppey would quickly feel lonely and isolated stuck indoors with limited or, in some cases, nowhere suitable for them to go. Our clubs provide a day filled with fun, laughter, activities and companionship, which is known to help with mental and physical health as well as their wellbeing meaning fewer people needing access to and putting an ever-increasing strain on local authority services.

In the current financial crisis and need to provide more support for our local community has meant the organisation is struggling financially, using reserves to be able to continue our core services so that increased costs to clients remains minimal.

## **Age UK Sheppey**

### **Trustees' report (continued) For the year ended 31 March 2023**

#### **Objectives and activities (continued)**

We remain committed to serving our local community in the best way we can and are always looking for ways to improve upon services offered. Funding opportunities are crucial to us maintaining a high calibre of service along with allowing the opportunity to expand with new projects meeting current community needs and demands. We always welcome the opportunity to work alongside and in conjunction with other external organisations, increase our outreach and knowing that together we can make a real difference on Sheppey.

#### **Achievements and performance**

##### **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 near future. With the sale of Roxeth, the trustees are confident that the lost funding from KCC will be covered for the coming year. The uplift via the restructure new services and planned changes to existing service have been put in place, to ensure a shift towards sustainability and in turn will secure Age UK Sheppey's 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.

###### **b. Reserves policy**

The Trustees have considered Charity Commission guidance and have reviewed their reserves policy in light of current funding and financial climate. The following reserves are made from the Charity's unrestricted income fund, and are in addition to the restricted funds shown in these notes:

£25,000 Redundancy Reserve - to cover the potential cost of redundancy payments - the likely timing of which by nature cannot be foreseen.

£100,000 Funding Loss Contingency Reserve - the likely timing of which by nature cannot be foreseen.

£105,000 "Castlewell" Reserve - for repairs and replacements, taken from the proceeds of sale of the Castlewell premises at Queenborough - the likely timing of which by nature cannot be foreseen.

###### **c. Principal funding**

With donations, legacies, and core funding opportunities on the decline, along with the loss of local government statutory grants, there was a need to impose a slight increase to services. The introduction of added payable activities and the dementia day being at an enhanced cost is hoped to increase income and sustainability. Affordability remains a key issue on the Isle of Sheppey as it includes some of the most deprived areas for pensioner poverty in the country. We continue to source funding to keep costs for our services down and deliver support as affordably as possible.

###### **d. Results for the year**

In summary, income amounted to £313,980 (2022 - £554,049) and expenditure to £582,336 (2022 - £562,637). There is a resulting net deficit for the year of £268,356 (2022 - £8,587).

As at 31 March 2023, the total funds of the Charity stood at £750,434 (2022 - £1,018,790) of which £296,547 (2022 - £319,451) is held in designated funds, £401,372 (2022 - £645,324) in general unrestricted funds and £52,515 (2022 - £54,016) in restricted funds

**Trustees' report (continued)  
For the year ended 31 March 2023**

**Structure, governance and management**

**a. Constitution**

Age UK Sheppey is a registered charity, number 1155211, and is constituted under a Trust deed.

**b. Methods of appointment or election of Trustees**

The governance of the Charity is the responsibility of the Trustees who are elected and coopted under the terms of the Constitution.

**c. Organisational structure and decision-making policies**

The Charity is governed by the Board of Trustees which is elected annually to oversee the organisation and running of the Charity. The Board of Trustees are responsible for approving all policies and meet on a regular basis. The day-to-day management of the Charity is devolved to the Chief Officer and staff team.

**d. Policies adopted for the induction and training of Trustees**

Trustees are recruited on the basis of the skills, knowledge and expertise required by the Board of Trustees to fulfil its governance role effectively. An induction procedure is followed, and training is tailored according to individual needs.

**e. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Plans for future periods**

Age UK Sheppey continue to work closely with KCC in their programme of procured outcomes for older people in future years. We will continue to evolve our services to maintain a wide range of support to meet the needs of older people on the Isle of Sheppey and seek funding to continue and develop our services. We plan to continue to uplift our services and increase numbers to support those residents of the Island over 50. We shall look at new ways to encourage participation by introducing a variety of new activities to the centre and look at splitting the day facilities times. These will take the form of a morning sessions with lunch or lunch with an afternoon session. We shall look at our vehicle fleet and find new ways to reduce costs to the organisation. Co Ordinator's will be supported to engage more with local residents and take charge of their own departments to increase numbers. Face to face training will be sourced as this was stopped during Covid 19 measures. Our Dementia supported activities will be looked at to see if we can support clients in other ways at our centre. The menu from our 5\* hygiene rated kitchen will continue to offer a range of nutritional two course meals, and our Head Cook with the help of Management will look at the possibilities evolving the menu to include a new snack menu. Management will continue to work with staff to enhance services overall and continue to cut costs where possible and source funding to provide a sustainable Charity for future generations of the Isle of Sheppey. It is planned that the organisation will go through a full restructuring process towards the end of 2023/2024, so that it we can work towards full cost recovery and sustainability. The centre will have a complete redecoration and the garden area will be made safe with new resources to become a much needed outdoor space. We are approaching new individuals to come on board as new Trustees and the sale of our Day Centre Roxeth, will be marketed by end of year 2023.



**Trustees' report (continued)**  
**For the year ended 31 March 2023**

**Statement of Trustees' responsibilities**

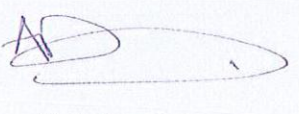
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources 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 judgments 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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 and signed on their behalf by:



**Mr A Doucy**

Date: 09/02/2024

## Age UK Sheppey

### Independent examiner's report For the year ended 31 March 2023

#### Independent examiner's report to the Trustees of Age UK Sheppey ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

#### Responsibilities and basis of report

As the Trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

Your attention is drawn to the fact that the Charity has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



S Robinson

Dated: 09/02/2024

BA FCA FCIE DChA

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

## Age UK Sheppey

### Statement of financial activities For the year ended 31 March 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	3	-	62,680	62,680	298,395
Charitable activities	4	-	234,817	234,817	245,900
Other trading activities	5	-	12,010	12,010	4,612
Investments	6	-	4,473	4,473	5,142
<b>Total income</b>		<b>-</b>	<b>313,980</b>	<b>313,980</b>	<b>554,049</b>
<b>Expenditure on:</b>					
Charitable activities	7	1,501	580,836	582,337	562,637
<b>Total expenditure</b>		<b>1,501</b>	<b>580,836</b>	<b>582,337</b>	<b>562,637</b>
<b>Net movement in funds</b>		<b>(1,501)</b>	<b>(266,856)</b>	<b>(268,357)</b>	<b>(8,588)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		54,016	964,775	1,018,791	1,027,379
Net movement in funds		(1,501)	(266,856)	(268,357)	(8,588)
<b>Total funds carried forward</b>		<b>52,515</b>	<b>697,919</b>	<b>750,434</b>	<b>1,018,791</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 10 to 23 form part of these financial statements.



# Age UK Sheppey

## Balance sheet As at 31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	118,100	129,961
<b>Current assets</b>			
Stocks	12	3,364	1,986
Debtors	13	18,224	46,879
Cash at bank and in hand		629,466	849,113
		<u>651,054</u>	<u>897,978</u>
Creditors: amounts falling due within one year	14	(18,720)	(9,148)
<b>Net current assets</b>		<u>632,334</u>	<u>888,830</u>
<b>Total net assets</b>		<u><u>750,434</u></u>	<u><u>1,018,791</u></u>
<b>Charity funds</b>			
Restricted funds	15	52,515	54,016
Unrestricted funds	15	697,919	964,775
<b>Total funds</b>		<u><u>750,434</u></u>	<u><u>1,018,791</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**Mr A Doucy**

Date: 09/02/2024

The notes on pages 10 to 23 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**1. General information**

Age UK Sheppey CIO is a charitable incorporated organisation in England and Wales, with the charity number 1155211. The registered office is 43 Trinity Road, Sheerness, Kent, ME12 2PF. The Charity's aim is to increase the reach of Age UK Sheppey CIO, enabling more people to access beneficial support, to promote the wellbeing of all older people and to make later life a fulfilling and enjoyable experience.

**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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Age UK Sheppey 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.

The financial statements are presented in British Sterling and are rounded to the nearest Pound.

**2.2 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.

**2.3 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.

**Notes to the financial statements  
For the year ended 31 March 2023**

**2. Accounting policies (continued)**

**2.3 Income (continued)**

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 investment income is recognised at the time the investment income is receivable.

**2.4 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.

**2.5 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.

**2.6 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.



**Notes to the financial statements  
For the year ended 31 March 2023**

**2. Accounting policies (continued)**

**2.6 Tangible fixed assets and depreciation (continued)**

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- On a straight line basis over the remaining term of the lease from the date at which the improvements are completed.
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line

**2.7 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.

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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.

**2.12 Operating leases**

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

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**2. Accounting policies (continued)**

**2.13 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.

**2.14 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.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Income from donations and legacies**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Donations	-	7,860	<b>7,860</b>	9,848
Legacies	-	-	-	74,743
Grants	-	54,722	<b>54,722</b>	41,181
Government grants	-	98	<b>98</b>	172,623
	-	62,680	<b>62,680</b>	298,395
Total 2022	24,901	273,494	298,395	

**Notes to the financial statements  
For the year ended 31 March 2023**

**4. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Services income	88,305	<b>88,305</b>	120,812
Day Centre income	146,512	<b>146,512</b>	125,088
	<u>234,817</u>	<u><b>234,817</b></u>	<u>245,900</u>
Total 2022	<u>245,900</u>	<u>245,900</u>	

**5. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Special projects and miscellaneous income	7,706	<b>7,706</b>	3,221
Internal fundraising	4,118	<b>4,118</b>	952
Shop sales	186	<b>186</b>	249
External fundraising	-	-	15
Rental income	-	-	175
	<u>12,010</u>	<u><b>12,010</b></u>	<u>4,612</u>
Total 2022	<u>4,612</u>	<u>4,612</u>	

**6. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Investment income	4,473	<b>4,473</b>	5,142
Total 2022	<u>5,142</u>	<u>5,142</u>	



**Notes to the financial statements**  
**For the year ended 31 March 2023**

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Direct costs	520,636	61,701	<b>582,337</b>	562,637
Total 2022	491,242	71,395	562,637	

**Analysis of direct costs**

	<b>Activities 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Staff costs	316,973	<b>316,973</b>	341,206
Rent and rates	30,760	<b>30,760</b>	16,379
Motor travel expenses	12,814	<b>12,814</b>	23,061
Insurances	7,263	<b>7,263</b>	11,257
Recruitment expenses	2,841	<b>2,841</b>	8,478
Repairs and maintenance	39,776	<b>39,776</b>	28,303
Purchases	53,282	<b>53,282</b>	54,112
Telephone	11,247	<b>11,247</b>	5,816
Sub-contractors	45,680	<b>45,680</b>	2,630
	520,636	<b>520,636</b>	491,242
Total 2022	491,242	491,242	

Of the total direct costs incurred during the financial year £Nil (2022: £24,901) were from restricted funds.

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
Staff costs	-	-	11,033
Depreciation	24,405	<b>24,405</b>	22,016
Advertising	-	-	400
Television Licence	159	<b>159</b>	159
Office costs	18,272	<b>18,272</b>	1,759
Postage and Carriage	511	<b>511</b>	1,140
Office stationery	810	<b>810</b>	1,762
Legal and professional fees	4,634	<b>4,634</b>	6,712
Consultancy fees	-	-	9,264
H.R. support fees	-	-	5,993
Clothing costs	39	<b>39</b>	75
Training costs	40	<b>40</b>	140
Short-term contracts	-	-	245
Bad debt write off	4,203	<b>4,203</b>	2,529
Audit and accountancy fees	4,635	<b>4,635</b>	5,820
Bank charges	3,993	<b>3,993</b>	2,348
	<u>61,701</u>	<u><b>61,701</b></u>	<u>71,395</u>
Total 2022	<u>71,395</u>	<u>71,395</u>	

Of the total support costs incurred during the financial year £1,501 (2022: £1,501) were from restricted funds.

**8. Independent examiner's remuneration**

	<b>2023 £</b>	<b>2022 £</b>
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<b>2,400</b>	-
Fees payable to the Charity's independent examiner in respect of:		
The auditing of accounts of associates of the Charity	<u>-</u>	<u>5,820</u>

**Notes to the financial statements  
For the year ended 31 March 2023**

**9. Staff costs**

	<b>2023</b>	2022
	<b>£</b>	£
Wages and salaries	<b>305,527</b>	337,480
Social security costs	<b>7,757</b>	10,932
Contribution to defined contribution pension schemes	<b>3,689</b>	3,827
	<b>316,973</b>	352,239

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

	<b>2023</b>	2022
	<b>No.</b>	No.
Employees	<b>26</b>	32

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

The remuneration, benefits and management fees received by the Charity's key management personnel in the year, including employer's national insurance contributions, amounted to £47,505 (2022: £94,778).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

## Age UK Sheppey

### Notes to the financial statements For the year ended 31 March 2023

#### 11. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2022	75,031	318,339	109,555	27,744	530,669
Additions	-	-	-	12,544	12,544
At 31 March 2023	<u>75,031</u>	<u>318,339</u>	<u>109,555</u>	<u>40,288</u>	<u>543,213</u>
<b>Depreciation</b>					
At 1 April 2022	34,521	243,664	96,661	25,862	400,708
Charge for the year	1,501	14,668	4,298	3,938	24,405
At 31 March 2023	<u>36,022</u>	<u>258,332</u>	<u>100,959</u>	<u>29,800</u>	<u>425,113</u>
<b>Net book value</b>					
At 31 March 2023	<u>39,009</u>	<u>60,007</u>	<u>8,596</u>	<u>10,488</u>	<u>118,100</u>
At 31 March 2022	<u>40,510</u>	<u>74,675</u>	<u>12,894</u>	<u>1,882</u>	<u>129,961</u>

#### 12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>3,364</u>	<u>1,986</u>

#### 13. Debtors

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	14,257	8,139
Other debtors	440	531
Prepayments and accrued income	3,527	38,209
	<u>18,224</u>	<u>46,879</u>

## Age UK Sheppey

### Notes to the financial statements For the year ended 31 March 2023

#### 14. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	11,048	1,204
Other taxation and social security	3,940	-
Other creditors	1,332	-
Accruals and deferred income	2,400	7,944
	<u>18,720</u>	<u>9,148</u>

#### 15. Statement of funds

##### Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Fixed Asset Fund	89,451	-	(22,904)	66,547
Redundancy Fund	25,000	-	-	25,000
Castlewell Reserve for Renewals and Replacements	105,000	-	-	105,000
Funding Loss Contingency and Restructuring Reserve	100,000	-	-	100,000
	<u>319,451</u>	<u>-</u>	<u>(22,904)</u>	<u>296,547</u>
<b>General funds</b>				
General Funds	645,324	313,980	(557,932)	401,372
<b>Total Unrestricted funds</b>	<u>964,775</u>	<u>313,980</u>	<u>(580,836)</u>	<u>697,919</u>
<b>Restricted funds</b>				
Doris Harper Day Centre	40,510	-	(1,501)	39,009
KCC Vehicle Replacement Funding	13,506	-	-	13,506
	<u>54,016</u>	<u>-</u>	<u>(1,501)</u>	<u>52,515</u>
<b>Total of funds</b>	<u>1,018,791</u>	<u>313,980</u>	<u>(582,337)</u>	<u>750,434</u>



**Notes to the financial statements**  
**For the year ended 31 March 2023**

**15. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Fixed Asset Fund	109,966	-	(20,515)	89,451
Redundancy Fund	25,000	-	-	25,000
Castlewell Reserve for Renewals and Replacements	105,000	-	-	105,000
Funding Loss Contingency and Restructuring Reserve	100,000	-	-	100,000
	<u>339,966</u>	<u>-</u>	<u>(20,515)</u>	<u>319,451</u>
<b>General funds</b>				
General Funds - all funds	631,895	529,148	(515,719)	645,324
<b>Total Unrestricted funds</b>	<u>971,861</u>	<u>529,148</u>	<u>(536,234)</u>	<u>964,775</u>
<b>Restricted funds</b>				
Doris Harper Day Centre	42,011	-	(1,501)	40,510
KCC Vehicle Replacement Funding	13,506	-	-	13,506
Lloyds Bank Foundation	-	24,901	(24,901)	-
	<u>55,517</u>	<u>24,901</u>	<u>(26,402)</u>	<u>54,016</u>
<b>Total of funds</b>	<u>1,027,378</u>	<u>554,049</u>	<u>(562,636)</u>	<u>1,018,791</u>



**Notes to the financial statements  
For the year ended 31 March 2023**

**15. Statement of funds (continued)**

**Designated funds**

The designated fixed asset fund equates to the net book value of fixed assets at the balance sheet date, excluding the property known as Roxeth which is restricted.

The designated redundancy reserve is monies that have been set aside in order to be used in the event that the Charity need to make any members of staff redundant.

The Castlewell reserve comprises a proportion of the monies generated by the Charity upon selling the Castlewell Day Centre property during the 2015/16 financial year, plus a donation from Southern Water and has been set up in order to fund the costs of any future substantial renewal or replacement costs.

The funding loss contingency and restructuring reserve has been set up to fund any essential costs through a major reduction in public funding, and to cover the costs of any required restructuring.

**Restricted funds**

The Doris Harper Centre Fund is a restricted fund. In 1999 the freehold property known as Roxeth was conveyed to Age UK Sheppey CIO by the Women's Royal Voluntary Service Trustees Limited, who held the property subject to certain restrictions contained within the Doris Harper Will Trust. These restrictions require the property to be used as an old peoples home, or in a similar capacity, for the local residents of Leysdown and the Isle of Sheppey. Depreciation charged each year on this property is allocated against the fund.

During the 2019/20 financial year the Charity received a grant of £34,996 from Kent County Council to be used towards funding two new vehicles. At the Balance Sheet date one of the vehicles had been purchased, and so this has been transferred out of the fund in the year, with the balance carried forward to be used for the purchase of the second vehicle, when required.

**16. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Designated funds	319,451	-	(22,904)	296,547
General funds	645,324	313,980	(557,932)	401,372
Restricted funds	54,016	-	(1,501)	52,515
	<u>1,018,791</u>	<u>313,980</u>	<u>(582,337)</u>	<u>750,434</u>

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**16. Summary of funds (continued)**

**Summary of funds - prior year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Designated funds	339,966	-	(20,515)	319,451
General funds	631,895	529,148	(515,719)	645,324
Restricted funds	55,517	24,901	(26,402)	54,016
	<u>1,027,378</u>	<u>554,049</u>	<u>(562,636)</u>	<u>1,018,791</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	39,009	79,091	<b>118,100</b>
Current assets	13,506	637,548	<b>651,054</b>
Creditors due within one year	-	(18,720)	<b>(18,720)</b>
<b>Total</b>	<u>52,515</u>	<u>697,919</u>	<u><b>750,434</b></u>

**Analysis of net assets between funds - prior year**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	40,510	89,451	129,961
Current assets	13,506	884,472	897,978
Creditors due within one year	-	(9,148)	(9,148)
<b>Total</b>	<u>54,016</u>	<u>964,775</u>	<u>1,018,791</u>

**18. Pension commitments**

The Charity operates a defined contribution 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 £3,689 (2022: £3,827). There was £Nil outstanding at the Balance sheet date (2022: £Nil).

**Notes to the financial statements**  
**For the year ended 31 March 2023**

**19. Operating lease commitments**

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>5,000</b>	5,000
Later than 1 year and not later than 5 years	<b>15,000</b>	20,000
	<b>20,000</b>	25,000

**20. Related party transactions**

Alan Doucy, Trustee, is the majority shareholder of Sharrock Insurance Serviced Limited. Age UK Sheppey CIO paid £3,439 (2022: £7,593) to this company during the financial year. There were no amounts outstanding at the Balance sheet date (2022: £Nil).

Paul Murray and Nigel Martin, Trustees, are director and secretary of Sheppey Matters. Age UK Sheppey CIO paid £1,920 (2022: £875) to this company during the financial year. There were no amounts outstanding at the Balance sheet date (2022: £Nil).