

Consolidated Financial Statements

For the Year Ended
31 March 2014



 North Tyneside
ageUK
Making More of Life



Company Number: 01763579
(England & Wales)
A Company Limited by Guarantee

Charity Number: 1049527

AGE UK NORTH TYNESIDE

OFFICERS AND FINANCIAL ADVISERS

FOR THE YEAR ENDED 31 MARCH 2014

Company Registration Number:	01763579 Registered in England and Wales																																		
Charity Registration Number:	1049527																																		
Registered Office:	The Bradbury Centre 13 Saville Street West North Shields Tyne & Wear NE29 6QP																																		
Board of Trustees:	<table><tr><td>Mr J.E. Coulter</td><td>(Chair)</td></tr><tr><td>Mr R.D. Morton</td><td>(Treasurer)</td></tr><tr><td>Mr A. J. Dunn</td><td>(Company Secretary)</td></tr><tr><td>Mrs J.G. Fife</td><td>(Vice Chair, Resigned 01.11.2013)</td></tr><tr><td>Mrs D. Fleming</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Mr T.R. Flood</td><td>(Resigned 31.05.2013)</td></tr><tr><td>Mr A.S. Hynd</td><td>(Resigned 08.10.2013)</td></tr><tr><td>Mr D.J. Kean MBE</td><td>(Resigned 08.08.2013)</td></tr><tr><td>Miss M.E. Kelly</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Professor J. Leopold</td><td>(Resigned 08.10.2013)</td></tr><tr><td>Miss E.J. Moody</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Mrs J.C. Pitkeathley</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Mr J. Ritchie</td><td>(Appointed 13.08.2013)</td></tr><tr><td>Mr D.C. Sharp</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Miss A.L. Stanners</td><td>(Appointed 23.05.2013)</td></tr><tr><td>Mrs G. Stringer</td><td>(Resigned 11.11.2013)</td></tr><tr><td>Mrs V.A. White</td><td>(Resigned 07.03.2014)</td></tr></table>	Mr J.E. Coulter	(Chair)	Mr R.D. Morton	(Treasurer)	Mr A. J. Dunn	(Company Secretary)	Mrs J.G. Fife	(Vice Chair, Resigned 01.11.2013)	Mrs D. Fleming	(Appointed 23.05.2013)	Mr T.R. Flood	(Resigned 31.05.2013)	Mr A.S. Hynd	(Resigned 08.10.2013)	Mr D.J. Kean MBE	(Resigned 08.08.2013)	Miss M.E. Kelly	(Appointed 23.05.2013)	Professor J. Leopold	(Resigned 08.10.2013)	Miss E.J. Moody	(Appointed 23.05.2013)	Mrs J.C. Pitkeathley	(Appointed 23.05.2013)	Mr J. Ritchie	(Appointed 13.08.2013)	Mr D.C. Sharp	(Appointed 23.05.2013)	Miss A.L. Stanners	(Appointed 23.05.2013)	Mrs G. Stringer	(Resigned 11.11.2013)	Mrs V.A. White	(Resigned 07.03.2014)
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Bankers:	Barclays Bank plc 3 Northumberland Square North Shields Tyne & Wear NE30 1AX																																		
Auditors:	Tait Walker LLP Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS																																		
Investment Managers:	Foster Denovo 15 Brenkley Way Bleazard Business Park Wideopen Newcastle upon Tyne NE13 6DS																																		
Solicitors:	Muckles LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF																																		

AGE UK NORTH TYNESIDE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

OBJECTIVES AND ACTIVITIES

The trustees present their report and audited accounts for the year ended 31 March 2014.

This year was the final year of our three year strategy – 'Making More of Life' (2011 - 2014)

Our **Vision**: "A society in which older people flourish".

Our **Mission**: "To improve the quality of life for older people".

Our four Strategic Aims:

Aim 1: Working in Local Communities

To involve and engage older people in developing a diverse range of activities which promotes positive health and wellbeing, tackles disadvantage and creates safe, sustainable local communities.

Aim 2: Delivering Quality Services

To design and deliver quality services that gives choice, promote independence and enhance quality of life.

Aim 3: Campaigning and Influencing

To campaign and lobby for change on the issues that matter ensuring that older people's voices are heard directly.

Aim 4: Raising our Profile

To ensure that our brand name is trusted, represents our values and beliefs and engages others to work with us to make more of life.

PUBLIC BENEFIT STATEMENT

The trustees have referred to the guarantee contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. Their charitable objectives are also set in order to provide a clear and demonstrable public benefit.

ACHIEVEMENTS & PERFORMANCE

AIM 1: Working in Local Communities

To involve and engage older people in developing a diverse range of activities which promotes positive health and wellbeing, tackles disadvantage and creates safe, sustainable local communities.

Recruiting, supporting and developing **volunteers** to provide a diverse range of activities across the borough continued to be key to achieving this aim. Activities ranged from health and wellbeing activities, befriending, arts, crafts, IT outreach, Job Club, book clubs and friendship groups. **257 registered volunteers** provided around **600 hours of support each week**. Based upon the living wage of £7.65 this amounts to an economic value to the community of **£238,680** a year.

The **Fit as a Fiddle** programme promoting health and wellbeing activities continued without grant funding thanks to volunteer support to deliver 581 activities throughout the year including tai chi, line dancing, keep fit, healthy eating groups, gentle circuits and yoga sessions. The programme was extended with an additional 336 activities provided to tenants across our five extra care housing schemes with all participants reporting improved confidence, improved sense of wellbeing, new friendships and reduced isolation and loneliness.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

The main contract for **Strength and Balance** classes through Norprime came to an end but thanks to £16,900 from NT Public Health budget, reduced health trainer fees and some individuals paying privately the classes continued. 900 GP patient and self referrals benefited and 99% saw reduced TUG (Timed Up and Go) scores.

In recognition of the diversity of older people we developed and supported **intergenerational groups** in partnership with the YMCA and Regional Youth, a **Transgender support group**, **dementia and carer support groups**, two new **men's groups** in Wallsend and Whitley Bay and participated in **multicultural events** with the Islamic Cultural Centre.

Aim 2: Delivering Quality Services

To design and deliver quality services that gives choice, promotes independence and enhances quality of life.

Information and Advice (I&A) continues to be the Age UK Flagship Service and this year we delivered specialist complex I&A advice and advocacy to 1,561 customers (25% increase from 2012/13). In addition, our small Advisor Team sourced £1.67m worth of unclaimed benefits for older people which helped to reduce poverty and add to the economy of North Tyneside. In total they supported 3,964 customers to resolve 7,333 enquiries across the year.

Thanks to a successful, Citizens Advice (North Tyneside) led partnership bid to the Big Lottery which included North Tyneside Coalition for Disabled People and ourselves, we appointed two additional posts to support the SAINTS (Safer Advice in North Tyneside) Project for two years and our I&A service achieved the AQS (Advice Quality Standard) for a further 2 years.

Our three **Wellbeing Centres** saw an increased demand for their services. (35% on previous year). All three support individuals to maintain independent living at home by providing a programme of centre and community based activities tailored to suit individual care and support needs, including reduction of isolation and loneliness. They also provide a respite service to family carers by giving them a much needed break from their caring role. The Linskill Wellbeing Centre specialises in support for individuals with dementia and their families. We saw more people choosing to buy these services with their personal budgets or by paying privately.

We successfully applied for a 2 year Knowledge Transfer Partnership Associate with Newcastle University, Isabel Owens who started working for us in November 2013 as our Service Design Manager (Dementia Care). Her role will put us at the forefront of the latest thinking and developments in dementia care, and will link into national Age UK's Group Chief Executive's role with the government's G8 dementia working group.

Life Choices Plus - Care at Home (wholly owned subsidiary company of the charity) provides a range of individually tailored Care and Support packages to people living in their own homes and within 5 Extra Care Housing Schemes.

For purposes of this report Life Choices Plus is included as it is part of the group structure, these consolidated accounts and its delivery is measured against our strategic aims. 100% of its profits are gift aided back to the charity to support our work in the community.

We are one of 6 approved providers of domiciliary care services to North Tyneside Council and one of three approved providers on their extra care housing framework supporting tenants at 5 Extra Care Housing Schemes. In addition NHS Northumbria Healthcare Foundation Trust purchase individual packages of palliative care and we attract a number of customers who choose to buy their care and support from us privately or using their personal budgets. The business increased its turnover by 11% from the previous year. Recruiting for compassion and training care staff above minimum standards to ensure a high quality of customer service and care is a priority. We have developed our own Care Academy to support people coming into the workforce, looking for a career in care and to provide refresher training and enhanced skills to existing care staff providing specialist care e.g dementia, palliative care, multiple complex long term conditions.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT (CONTINUED)) FOR THE YEAR ENDED 31 MARCH 2014

A CQC inspection January 2014 confirmed that Age UK North Tyneside were **Compliant with No Actions required**.

NTC Contract Monitoring took place during **February and March 2014**. They inspected against 7 quality outcomes which were rated between 72% and 84%.

We are committed to providing our customers with the highest standards of service. Our new **Customer Charter** sets out 14 promises based upon our values & beliefs and what our customers told us they wanted. The first annual **Customer Satisfaction Survey** was conducted across all our services and achieved an average **84.1% success rate** against these promises. This will be one of our key quality benchmarks for future years. Improvements were to deliver more services, provide more continuity and improve communication. These are all action planned for improvement over the next year.

Customer Engagement is crucial to support the development of our services, ensuring we continue to meet individual customer need. With the introduction of a new Customer Relationship Management System (CRM) 'one record, one customer' this year we will be able monitor the customer lifecycle from initial enquiry and throughout their journey across all our services. This will enable us to engage with the customer every step of the way and monitor individual outcomes and benefits according to agreed stated preferences. Being able to manage our customer relationships using technology to support that process will also provide us with the data intelligence to improve and develop our service offer whilst measuring social and financial impact. It should be fully operational next year once staff training is completed.

Aim 3: Campaigning and Influencing

To campaign and lobby for change on the issues that matter ensuring that older people's voices are heard directly.

Working with Age UK nationally we align our local campaign calendar to theirs. The focus of national campaigns continued to be around influencing the outcome of the developing new Care Act through the **Care in Crisis campaign** by seeking support from our local MP's and reducing excess winter deaths through the **'Spread the Warmth'** Campaign. We supported various national Age UK fundraising events locally, such as 'donate a coat', the Big Knit and Bobble Day which had the dual benefit of raising awareness of the issues and generating financial support for our local work to address them.

Older people, through **OPEN (our Older People's Engagement Network)** were also encouraged and supported to attend and have their say on a number of local issues e.g. improving local health services through **Healthwatch** and the redevelopment plans for Whitley Bay Town Centre through **The 'Big Local' Whitley Bay initiative**.

The Chief Executive and senior staff represent the age sector, issues of ageing and older people on many local strategic policy making groups and have developed strong relationships in the emerging new health arena through the **Health and Wellbeing Board**, with the **North Tyneside Clinical Commissioning Group** and being a strategic partner of **Northumbria Healthcare Foundation Trusts Shared Purpose** programme where we provide Observation Volunteers to report on ward practice with real time feedback. This programme works in conjunction with our **Big Lottery Silver Dreams 'Hospital to Home' pilot project** where we aim through trained volunteers, to address loneliness for those with no family support, assist ward staff and support individuals with dementia to cope with the ward environment and maintain/attain confidence for a safe return home and reduce hospital readmissions.

We successfully bid to be one of Age UK's delivery partners to work with our local Health and Social Care colleagues to develop and pilot a new healthcare model, using a Social Impact Bond (SIB), specifically aimed at reducing hospital admissions. Potential NHS savings have been identified as £4:1 over a four year period based

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

on a cohort of 1000 high risk patients. Success would require a strategic shift away from a purely medical model of care to introduce a volunteer led community support response to helping people self manage their condition at home. This work is a unique opportunity to help influence and shape the delivery of patient care in this country and is based on international best practice models. The key will be to identify the funding model to attract investors and the willingness of health commissioners to adopt it. The outcome should be known next year.

Following a request and a small contract from Northumbria Probation Trust to consider how we could support older prisoners with health and social care needs leaving prison to reintegrate safely back into the community, we carried out research into the needs of this particular group in partnership with The Derwent Initiative. The results have been used to raise awareness of these largely unaddressed issues at a conference held at St James Park Conference Centre in Newcastle on 3 February 2014 which attracted over 100 people from across the region. It was addressed by Sir Alan Beith MP as the Chair of the governments Justice Select Committee. We are subsequently seeking funding to pilot a programme of support for older prisoners leaving HMP Northumberland and awareness raising for front line staff in care and related support services.

Aim 4: Raising our Profile

To ensure our brand name is trusted, represents our values and beliefs and engages others to work with us to make more of life.

Since becoming a brand partner of Age UK and adopting the new brand logo and name as part of the 2011-14 Making More of Life Strategy our marketing strategy has aimed for the Age UK North Tyneside brand to represent:

- **Strong customer service** – *customer first*
- **Quality** – *standards of service*
- **Convenience** – *easy to get, handy to have*
- **Design** – *recognise at first sight*
- **Honesty** – *we do what we say*

New marketing materials now reflect and represent the same high level of professionalism and quality with which we deliver our services.

A new telephony managed switch system was installed in August 2013 which provides us with performance reports providing a level of intelligence to support more accurate operational management reporting and to measure return on (marketing) investment. The system showed that 31,080 telephone enquiries were taken between August and March 2014 compared to just over 17,000 manually recorded in 2012/13. Linking the telephony to the CRM system we know that 7,001 were repeat callers and 6,917 enquiries were for our care at Home Service.

We have had increased success in raising awareness of older people's issues and ageing through the media. We gave 29 radio broadcasts on a wide range of topics, have 1,232 followers on twitter and 246 on Facebook. 32,000 visits were made to our website and our high quality biannual Living Life Magazine is stocked locally by Waitrose, Sainsbury's and Asda.

Community Fundraising activities trebled in 2012/13 and have been strengthened this year attracting all ages to engage with us and support our work whether this be through direct donations, holding local fundraising activities, running the Great North Run and attending or contributing to the community events e.g. the Christmas Fayre. This support contributed £73,104 to help meet our £193,000 Income Generation target for the year. In total we were only successful in attracting £98,070 of this target from £1.4m worth of funding applications. A huge margin and disappointing position given the time and efforts granted to prepare this amount of applications. We feel this is indicative of the economic times we live in and further clarifies the need to develop our income generating 'enterprises' to fund the charity's work.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT (CONTINUED))

FOR THE YEAR ENDED 31 MARCH 2014

ORGANISATION FINANCIAL REVIEW

Overview

We had another challenging year accruing a deficit before gains/losses on the pension scheme and investments of £25,440 compared to a deficit of £270,519 in 2013. The deficit for the year was a planned process to fund year three of our three year strategy and support the simultaneous three year change management process. A deficit of £50,414 was originally projected for the year.

The organisation continued to invest in its charitable projects and services by using its designated Strategic Development Reserve Fund to gap fund those areas which had little or no funding to ensure it met its strategic objectives for 2013-2014.

Incoming resources

Total incoming resources for 2013-2014 were £4.3 million which was a 4.5% increase on the previous year. Our income generation target for the year was £193,000 and we ended the year achieving £98,070 of this target. The main shortfall was again in securing grants from Charitable Trusts.

Assets

The charity's assets are being held to enable it to carry out its objectives. The movements in fixed assets during the year are set out in note 14 to the accounts.

Investments

The Memorandum of Association states that in furtherance of the objects the charity shall have the power to "invest monies not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions if any and such consents if any as may for the time being be imposed or required by law".

Foster Denovo has delegated responsibility to manage a portfolio of £685,000 in a wide range of fixed interest stocks and equities. The market value of the portfolio at 31 March 2014 was £601,459 (2013: £627,121) which was after drawing down £50,000 and after recording an unrealised profit on investment of £24,338 before fees at 31 March 2014. (See note 15).

Pension

Age UK North Tyneside has complied with FRS 17 and disclosed its proportion of the Age UK Final Salary Scheme liability. The Age UK Retirement Benefit Scheme has provided participating employers with their breakdown of the assets and liabilities. (See note 11 and 23). The defined benefit scheme is closed to new entrants and the actuarial valuation of the scheme deficit at 31 March 2014 is £287,000 with an increase in the liability over the year of £38,000. In order to address the deficit the charity is required to make additional payments of £4,036 per month over 123 months.

Trading subsidiary and associated companies

The organisation has two wholly owned subsidiary companies Age UK North Tyneside Trading Limited and Life Choices Plus Limited, and an associated company Age UK North of Tyne & Gateshead where the charity owns 33.33% of the shares.

Age UK North Tyneside Trading Limited did not trade during the year and holds £3,319 in its funds.

Life Choices Plus Limited donated £317,508 in profits to the charity at the end of the year and Age UK North of Tyne & Gateshead donated £9,000 in profits to each of Age UK North Tyneside, Age UK Newcastle and Age UK Gateshead at the end of the year.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The charity's governing documents are its Memorandum and Articles of Association.

Organisational structure

The charity is managed on behalf of the trustees by the Chief Executive, Alma Caldwell, and her executive team Dawn McNally as Executive Director for Business & Finance and Elaine Inglis as Executive Director for Marketing & Communications

Employment policies

The charity operates a number of key employment policies including Equality & Diversity and Health & Safety.

Auditors

Tait Walker were appointed as auditors in accordance with section 485 of the Companies Act 2006 at the Annual General Meeting on 8 October 2013.

The body responsible for the governance of the charity is the Board of Trustees. The Board meets at least six times a year. Trustees are elected for a three year term and the Board can comprise of up to 15 members including three co-optees and the Honorary Officers. The Trustees who served during the year are listed on inside front cover of this report.

Board of Trustees/Company Directors

None of the directors hold shares in either of the subsidiary companies. The Board of Trustees may appoint persons to fill any casual vacancies that occur during the year amongst elected members of the board, such appointments to terminate at the end of the term for which the original member was elected.

Following the appointment of new Trustees in May 2013 and a Trustee/Executive Strategy and Governance Review day in July 2013, the August Board Meeting confirmed the set up of three Task and Finish Groups to review Governance Effectiveness and Committee Structures and to oversee the development of a new 2020 strategy.

The core outcome of their work to date has:

1. Produced a new Public Statement of Good Governance Principles based on the Langlands Commission Report "The Good Governance Standard For Public Services" which Trustees use to 'regulate' their own Board performance and activity after each meeting.
2. Confirmed the Finance & Resources Committee meets six times a year with specific responsibilities for the management of the assets and liabilities of the charity, the agreement and monitoring of the annual budget, management of the investment portfolio, ensuring the charity meets high and consistent levels of quality and approving levels of delegation to executive management.
3. Agreed to replace the quarterly Audit & Risk Committee with a Transitional Risk and Compliance Committee in the new financial year with a new remit to ensure effective Risk and Quality management which includes compliance with statutory requirements and to support the fourth of our governance principles; Board effectiveness.
4. Confirmed the Executive Committee meets on an as and when basis and oversees the strategic and operational development of the organisation providing a mechanism for urgent decision making.
5. The trustees with senior staff hold two training days each year, one to consider aspects of trustee responsibilities and specific areas of strategic development.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Age UK North Tyneside for the purposes of company law) are responsible for preparing the Board of 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT (CONTINUED)) FOR THE YEAR ENDED 31 MARCH 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Internal control processes implemented by the trustees include:

- Audit & Risk Committee scrutiny of the Risk Register
- A Strategic Plan and Annual Budget approved by the trustees
- Regular consideration by the trustees of the financial results, variances from budget, forecasts and performance indicators
- Delegation of authority and segregation of duties
- Identification and management of risk

Risk

The trustees have in place a formal risk management process to assess risks and implement risk management strategies. A risk register is in place and is scrutinised at quarterly Audit and Risk Committee meetings. An annual work programme is also in place to plan and prioritise this work.

The Risk Register includes the following sections:

- Being an effective charity which includes governance, management, individual projects, internal infrastructure, compliance, external factors and internal financial controls
- Being an effective Age UK
- Being an effective Brand Partner of Age UK and member of the Age England Association

The process identifies the types of risk the charity faces, prioritises them in terms of the likelihood of occurrence and potential impact and identifies the means of mitigating these risks.

Reserves

The Finance & Resources Committee, on behalf of the Board of Trustees, conducts an annual review of the level of reserves to ensure that reserves are sufficient to address the financial risks of the charity and to ensure that there are sufficient reserves to invest in the organisations development in line with the strategic plan.

The review in March 2014 concluded that Age UK North Tyneside needed to accrue designated reserves equivalent to two months normal revenue expenditure for each individual cost centre, plus potential staff redundancy costs. The reserves policy is reviewed annually in February/March in light of the findings and conclusions of the Risk Audit Report and the recommendations from the Budget Report.

- The total deficit for the year before gains and losses on pension scheme and investments was £25,440 which was made up of a £26,178 surplus on the unrestricted fund, a £391 surplus on the restricted fund, and a £52,009 deficit on the capital fund.
- Capital Fund - all of the income has been applied to fixed assets. This fund can therefore not be used as if it were income. See note 20.
- Restricted Fund – the fund balances are not available for general charity use, but are only expendable in accordance with the objects declared by the donors. £3,491 was transferred into restricted funds from the designated fund to support projects where funding had ran out until additional funding could be secured. See note 21.
- Unrestricted Fund – it is the policy of Age UK North Tyneside to accumulate a contingency reserve equivalent to two months normal revenue expenditure plus potential staff redundancy costs which would calculate to £399,685.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2014

A further £275,750 is being held in reserve to address the financial uncertainty which currently exists and is expected to continue for another year.

Designated funds

As previously reported it is the policy of Age UK North Tyneside to accrue designated reserves equivalent to two months normal revenue expenditure for each individual cost centre, plus potential staff redundancy costs. Designated reserves are shown in note 22 in the financial statements.

The charity has a number of designated funds which are for future use or to fund an exit strategy. As the charity manages a number of contracts the trustees are forever mindful of the need to ensure these contracts if brought to an end are done so in a planned way to minimise the impact to customers. None of these funds are expected to be used in the next financial year.

PLANS FOR FUTURE PERIODS

Future direction, challenges, priorities and threats

We aim to remain at the forefront of change, innovation and striving for long term sustainability during continued tough economic times. Over the three years of our Making More of Life Strategy we have implemented a three year Change Management Programme to strengthen and position ourselves for the new world which will see greatly reduced public services being replaced by a more corporate sector response and the growing need of an increasingly older and ageing society. We will ensure we are prepared and able to compete or be key partners in that response.

Although we successfully achieved our three year aim to bring our operational budget back to break even the Board approved another challenging deficit budget for 2014/15. This will require greater success in charitable fundraising, increasing and attracting health commissioned work, successfully tendering for renewal of the North Tyneside Council Home Care tender and attracting more private paying customers to buy our services. We are confident we have robust systems in place to effectively monitor progress and manage the risks associated with this challenging budget.

We will invest further in establishing our commercial activities to generate unrestricted income for the charity. This will include developing a new 2020 business strategy and Social Enterprise brand structure with the support of Gardiner Richardson; a full service review conducted by Isabel Owens, our KTP Associate with Newcastle University and consultation with all stakeholders as part of that process. In this respect, we have agreed to continue with the aims of the Making More of Life Strategy for a further 'transition' year which will see our new plans launched 1 April 2015.

We successfully attracted a number of new Trustees with a range of relevant skills and current expertise to fill Board vacancies, replace longstanding Trustees who retired and three who moved out of the area during the year. All are committed to meeting the challenges ahead and prepared to advise, guide and support the Chief Executive and her Senior Team to achieve our strategic goals.

One of the biggest challenges and possible threats will be how effectively the 168 independent Age UK brand partners are able to collaborate and co operate with each other and Age UK nationally to ensure the Age UK brand develops as a trusted, influential partner across a wide group of stakeholders which include current and new public/private sector partners, older people and the wider public.

It is imperative to future success that our core purpose to improve the quality of life for older people drives our decision making and that we listen, engage and involve older people to influence and shape that future.


AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT (INCORPORATING THE STRATEGIC REPORT (CONTINUED))

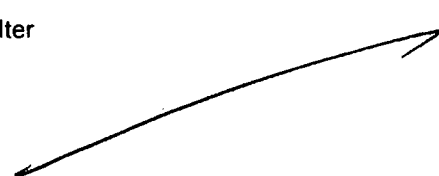
FOR THE YEAR ENDED 31 MARCH 2014

We are confident that with an effective Board, strong well established Senior Management Team and our dedicated staff and volunteer supporters that we will continue to grow and fulfil our purpose 'To Improve the Quality of Life for Older People'.

ON BEHALF OF THE BOARD



Jim Coulter
Chair



12-8-14

AGE UK NORTH TYNESIDE

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Age UK North Tyneside for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, set out on page 7 the trustees (who are also the directors of the charitable company 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.

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2014, and of the group's 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in The Board of Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AGE UK NORTH TYNESIDE

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF THE CHARITABLE
COMPANY (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report



14-10-14

SIMON BROWN ACA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants
& Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

AGE UK NORTH TYNESIDE

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2014

The principal accounting policies of the charitable company and the group have remained unchanged from the previous year and are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified to include certain fixed assets and fixed asset investments at valuation and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) the Companies Act 2006, in accordance with the Financial Reporting Standard for Small Entities (FRSSE 2008) and the Charities Act 2011.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings, Age UK North Tyneside Trading Limited and Life Choices Plus Limited, drawn up to 31 March each year on a line-by-line basis. No Income and Expenditure account is presented for Age UK North Tyneside as permitted by section 408 of the Companies Act 2006.

Depreciation and amortisation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets. The rates generally applicable are:

Land & buildings	2.0% to 10.0%	straight line basis on buildings only
Equipment	12.5%	straight line basis
Fixtures & fittings	12.5%	straight line basis
Office equipment	12.5%	straight line basis
Motor vehicles	25.0%	reducing balance basis
Computer equipment	33.3%	straight line basis

Amortisation is calculated to write down the cost less estimated residual value of all leases capable of exceeding 25 years, as follows:

Long leasehold	50 years or lease term if less
----------------	--------------------------------

Fixed assets are recorded at cost. Individual items under £500 are not capitalised.

Stock

Stock is stated at the lower of cost and net realisable value.

Investments

Investments are included at market value. Any change in market value is shown as a gain or loss on investments in the Statement of Financial Activity below "Net Incoming/Outgoing resources". Investment income is accounted for when receivable.

Pension costs

For defined benefit schemes the amount charged to the Statement of Financial Activity (SOFA) in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from the cost. The interest cost and expected return on assets are included within the SOFA.

AGE UK NORTH TYNESIDE

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Pension costs (continued)

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value at a current rate of return on a high quality corporate bond of equivalent term and currency.

Pension scheme assets are measured at fair value at the balance sheet date. Full actuarial valuations, by a professional actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date.

The pension scheme deficit is recognised in full at the balance sheet date.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA.

For contribution benefit schemes the amount charged to the SOFA in respect of pension costs represents the amount payable by the charity in respect of the year.

Donations

Donations represent cash received in respect of specific and general donations during the year.

Legacies

Legacies have been recognised when Age UK North Tyneside is notified of its legal entitlement, the amount is quantifiable and its ultimate receipt is confirmed.

Grants

Grants of a revenue nature are credited to income in the period to which they relate.

Designated funds

Designated funds are amounts which have been put aside at the discretion of the trustees and are therefore not available for other purposes.

Restricted funds

Restricted funds represent grants, donations, legacies and assets which are allocated by the donor for specific purposes.

Incoming Resources

Income from commercial trading activities is recognised as earned (as the related services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support performances activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received in advance of the expenditure to which they relate to being incurred.

Resources Expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services supplied

AGE UK NORTH TYNESIDE

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2014

Resources Expended (continued)

- Costs of generating funds are there costs incurred in attracting voluntary income, and those costs incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the provision of supporting services and include both the direct costs and supports costs relating to the activities of the charity.
Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with statutory requirements. Support costs have been allocated to activity costs categories and to governance costs on a basis consistent with the time spent by the employees on each activity and on those activities necessary to properly govern the charity.

Joint Venture

The result of the joint venture is brought into the Statement of Financial Activity as a single line entry showing the group's share of the surplus generated and therefore treated as an associate company.

Leasing Commitments

Rentals payable under operating leases are charged in the Statement of Financial Activity on a straight line basis over the lease term or in accordance with the payment schedule where not significantly different

AGE UK NORTH TYNESIDE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2014

Income & Expenditure						
	Notes	Unrestricted Fund £	Restricted Fund £	Capital Fund £	Total 2014 £	Total 2013 £
Incoming resources						
Incoming resources from generated funds						
Voluntary income	1	32,962	720	-	33,682	25,710
Activities for generating funds	2	208,653	-	-	208,653	145,445
Investment income	3	946	90	-	1,036	6,624
Incoming resources from charitable activities	4	3,762,986	250,734	-	4,013,720	3,909,134
Other incoming resources		56,032	18,695	-	74,727	59,229
Total incoming resources		4,061,579	270,239	-	4,331,818	4,146,142
Resources expended						
Costs of generating funds						
Costs of generating						
Voluntary income		7,759	-	-	7,759	1,373
Investment management costs		3,606	-	-	3,606	3,199
Charitable activities	6/7	3,945,722	273,084	52,009	4,270,815	4,340,014
Governance costs	8	83,823	255	-	84,078	82,075
Total resources expended		4,040,910	273,339	52,009	4,366,258	4,426,661
Net incoming(outgoing) resources before transfer		20,669	(3,100)	(52,009)	(34,440)	(280,519)
Net interest in the result of Associates		9,000	-	-	9,000	10,000
Transfer between funds	21	(3,491)	3,491	-	-	-
Net incoming(outgoing) resources before other unrecognised gains/losses		26,178	391	(52,009)	(25,440)	(270,519)
Gains and (losses) on investments		24,338	-	-	24,338	55,850
Actuarial gains/(losses) on defined benefit pension scheme	23	(38,000)	-	-	(38,000)	-
Net movement in funds		12,516	391	(52,009)	(39,102)	(214,669)
Fund balances brought forward at 1 April 2013 as previously reported		741,961	26,644	835,455	1,604,060	1,818,729
Prior Year adjustment	31	(70,386)	-	-	(70,386)	(70,386)
Fund balances brought forward at 1 April 2013 as restated		671,575	26,644	835,455	1,533,674	1,748,343
Fund balances carried forward at 31 March 2014		684,091	27,035	783,446	1,494,572	1,533,674

There were no unrecognised gains or losses other than the surplus/deficit for the year. The accompanying accounting policies and notes form an integral part of these financial statements.

AGE UK NORTH TYNESIDE


CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 MARCH 2014

	Notes	Group 2014 £	Group 2013 (as restated) £	Charity 2014 £	Charity 2013 (as restated) £
Fixed assets					
Tangible assets	14	1,127,304	1,215,303	1,087,231	1,188,737
Investments	15	601,469	627,131	208,721	245,335
		<u>1,728,773</u>	<u>1,842,434</u>	<u>1,295,952</u>	<u>1,434,072</u>
Current assets					
Stocks	16	11,996	13,150	1,798	4,376
Debtors	17	320,146	272,896	411,069	162,750
Cash at bank and in hand		194,161	214,386	72,651	211,659
		<u>526,303</u>	<u>500,432</u>	<u>485,518</u>	<u>378,785</u>
Creditors: amounts falling due within one year	18	<u>(323,504)</u>	<u>(400,192)</u>	<u>(159,712)</u>	<u>(279,965)</u>
Net current assets/(liabilities)		<u>202,799</u>	<u>100,240</u>	<u>325,806</u>	<u>98,820</u>
Total assets less current liabilities		<u>1,931,572</u>	<u>1,942,674</u>	<u>1,621,758</u>	<u>1,532,892</u>
Creditors: amounts falling due in more than one year	19	<u>(150,000)</u>	<u>(160,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
Net assets excluding pension liability		<u>1,781,572</u>	<u>1,782,674</u>	<u>1,471,758</u>	<u>1,372,892</u>
Defined benefit pension scheme liability	22	(287,000)	(249,000)	(287,000)	(249,000)
Net assets including pension liability		<u>1,494,572</u>	<u>1,533,674</u>	<u>1,184,758</u>	<u>1,123,892</u>
The funds of the charity:					
Restricted income funds	21	27,035	26,644	27,035	26,644
Unrestricted income funds					
Non charitable trading fund1	22	3,313	3,313	-	-
Non charitable trading fund 2	22	406,470	406,470	-	-
Designated Funds	22	561,308	510,792	661,277	510,793
Pension Fund	23	(287,000)	(249,000)	(287,000)	(249,000)
Capital Fund	20	783,446	835,455	783,446	835,455
Total unrestricted funds		<u>1,467,537</u>	<u>1,507,030</u>	<u>1,157,723</u>	<u>1,097,248</u>
Total charity funds		<u>1,494,572</u>	<u>1,533,674</u>	<u>1,184,758</u>	<u>1,123,892</u>

The financial statements were approved by the Board of Trustees on 12 August 2014 and are signed on their behalf by:


J E Couffer, Chair


A J Dunn, Company Secretary

Company registration number: 01763579

The accompanying accounting policies and notes form an integral part of these financial statements.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 MARCH 2014

1. Voluntary income

	Unrestricted Funds	Restricted Funds	Capital Funds	2014	2013
	£	£	£	£	£
Donations	29,333	720	-	30,053	21,384
Legacy	905	-	-	905	2,000
Sponsorship	2,724	-	-	2,724	2,326
	<u>32,962</u>	<u>720</u>	<u>-</u>	<u>33,682</u>	<u>25,710</u>

2. Activities for generating funds

	Unrestricted Funds	Restricted Funds	Capital Funds	2014	2013
	£	£	£	£	£
Insurance Commissions	-	-	-	-	65
Lottery Commissions	-	-	-	-	66
Sale of Cards & Stationery	782	-	-	782	1,158
Coffee Shop Sales	53,973	-	-	53,973	44,068
Rental Income from assets	20,355	-	-	20,355	23,102
Income from catering services	3,772	-	-	3,772	-
Income from events	6,998	-	-	6,998	7,080
Income from training	97,149	-	-	97,149	46,157
Age UK shop profits	25,624	-	-	25,624	23,749
	<u>208,653</u>	<u>-</u>	<u>-</u>	<u>208,653</u>	<u>145,445</u>

3. Investment Income

	Unrestricted Funds	Restricted Funds	Capital Funds	2014	2013 (as restated)
	£	£	£	£	£
Investment income	-	-	-	-	6,336
Bank interest	946	90	-	1,036	288
	<u>946</u>	<u>90</u>	<u>-</u>	<u>1,036</u>	<u>6,624</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

4. Incoming resources from charitable activities

	Unrestricted Funds	Restricted Funds	Capital Funds	2014	2013
	£	£	£	£	£
Charitable trust grants	72,640	188,044	-	260,684	333,296
Fit as a Fiddle Big Lottery	-	-	-	-	263,165
Contracts/SLA income	2,688,775	50,641	-	2,739,416	2,351,317
Tenants contribution & Housing benefit	125,211	-	-	125,211	171,439
Supporting People grant	3,680	-	-	3,680	103,476
Fees – Meals & activities	263,260	-	-	263,260	229,899
Fees – Bathing	4,442	-	-	4,442	-
Direct payments	9,513	-	-	9,513	-
Private individuals	377,397	10,484	-	387,881	368,545
Individual service fund	-	1,565	-	1,565	-
PCT SLA income	218,068	-	-	218,068	87,997
	<u>3,762,986</u>	<u>250,734</u>	<u>-</u>	<u>4,013,720</u>	<u>3,909,134</u>

5. Net income from trading activity of subsidiary companies

The charity has two wholly owned subsidiaries which are registered in England and Wales. **Age UK North Tyneside Trading Limited** ceased trading in 2012 and **Life Choices Plus Limited** provides home care and catering services to adults of all ages.

Life Choices Plus Limited donated £375,078 (2013: £308,718) of its taxable profit to Age UK North Tyneside. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies.

	2014	2013
	£	(as restated) £
Profit and loss account		
Turnover	3,038,127	2,736,006
Cost of sales and administration expenses	(2,773,689)	(2,338,293)
Net profit	264,438	397,713
Amount gifted to charity under gift aid for the financial year	(375,078)	(308,718)
Retained by subsidiary at the year end	(110,640)	88,995
Aggregate share capital and reserves	306,785	406,472

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

6. Charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2014 £	2013 £
Staff costs	3,135,355	232,736	-	3,368,091	3,149,094
Premises	226,600	4,131	-	230,731	227,986
Office overheads	141,569	(3,286)	-	138,283	108,809
Legal & professional fees	25,786	2,927	-	28,713	19,107
Travel	168,298	13,332	-	181,630	200,882
Grant giving	-	-	-	-	279,030
Depreciation	76,274	1,048	52,009	129,331	134,362
Sundry	11,931	2,149	-	14,080	19,217
Food and provision	127,961	138	-	128,099	124,515
Development & project work	488	18,822	-	19,310	26,404
Promotion and publicity	31,460	1,087	-	32,547	50,608
	<u>3,945,722</u>	<u>273,084</u>	<u>52,009</u>	<u>4,270,815</u>	<u>4,340,014</u>

7. Charitable activities by activity type

	Direct costs £	Direct staff costs £	Support costs £	2014 £	2013 £
Life Choices Plus Limited	466,897	2,104,120	223,747	2,794,764	2,362,473
Commercial services	167,680	131,393	15,333	314,406	304,219
Community services	33,150	247,232	67,253	347,635	425,368
Age UK North Tyneside	-	-	-	-	1,019
Trading company Limited	-	-	216,074	216,074	266,009
Corporate support and governance	-	-	-	-	-
Health and wellbeing	111,198	104,864	19,910	235,972	586,186
Wellbeing centres	139,823	192,141	30,000	361,964	394,740
	<u>918,748</u>	<u>2,779,750</u>	<u>572,317</u>	<u>4,270,815</u>	<u>4,340,014</u>

8. Governance costs

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2014 £	2013 £
Wages and salaries	40,523	-	-	40,523	48,082
Premises	8,801	-	-	8,801	4,751
Travel	920	-	-	920	980
Audit and accountancy	11,140	255	-	11,395	10,065
Legal and professional	18,339	-	-	18,339	13,424
Trustee training	1,752	-	-	1,752	1,500
Membership and subscriptions	2,348	-	-	2,348	3,273
	<u>83,823</u>	<u>255</u>	<u>-</u>	<u>84,078</u>	<u>82,075</u>

Included within governance costs are the costs for the senior management team to support the governance structure.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

9. Total resources expended

	Staff Costs £	Depreciation £	Other £	2014 £	2013 £
Cost of generating funds	-	-	11,365	11,365	4,572
Charitable activities	3,368,091	129,331	773,393	4,270,815	4,340,014
Governance costs	40,523	-	43,555	84,078	82,075
	<u>3,408,614</u>	<u>129,331</u>	<u>828,313</u>	<u>4,366,258</u>	<u>4,426,661</u>

Other costs:	Basis of allocation	Costs of generating funds £	Charitable Activities £	Governance Costs £	2014 £	2013 £
Development & project work	Time	7,759	19,310	-	27,069	27,777
Premise	Building/ Employee	-	230,731	8,801	239,532	232,736
Grant giving	Direct	-	-	-	-	279,030
Travel	Expense claims	-	181,630	920	182,550	201,861
Sundry	Time/Direct	-	14,080	-	14,080	19,217
Food & provisions	Direct	-	128,099	-	128,099	124,515
Promotion and publicity	Direct	-	32,547	-	32,547	50,608
Professional fees	Type of advice sought	-	28,713	18,339	47,052	32,441
Audit and Accountancy	Direct	-	-	11,395	11,395	10,065
Investment managers Fees	Direct	3,606	-	-	3,606	3,199
Office overheads	Area/usage	-	138,283	-	138,283	108,901
Trustee training	Direct	-	-	1,752	1,752	1,500
Membership and Subscriptions	Direct	-	-	2,348	2,348	3,272
Total		<u>11,365</u>	<u>773,393</u>	<u>43,555</u>	<u>828,313</u>	<u>1,095,122</u>

10. Staff costs

Staff numbers:	2014	2013
	£	£
Executive Team	4	3
Leadership Team	5	1
Managers	7	8
Co-ordinators	19	-
Officers	8	6
Assistants	217	212
	<u>260</u>	<u>230</u>

One employee earned more than £60,000 during the year. Their salary was between £60,000 and £70,000.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

10. Staff costs (continued)

Total salary costs analysed by	2014 £	2013 £
Wages and salaries	3,139,908	2,912,226
National Insurance contributions	197,126	209,140
Pension contributions	71,580	75,810
	<u>3,408,614</u>	<u>3,197,176</u>

11. Pension scheme

The group operates a defined benefit scheme in the UK. A full actuarial valuation of the Age Concern Retirement Benefits Scheme was carried out as at 1 April 2013 and the results of this valuation have been updated to 31 March 2014 by a qualified independent actuary.

Principal actuarial assumptions at the balance sheet date

	As at 31 March 2014 %	As at 31 March 2013 %
Discount rate	4.50	4.50
Rate of increase in salaries	N/A	N/A
Rate of increase in payment of pre 2006 pensions	3.50	3.30
Rate of increase in payment of post 2006 pension	2.50	2.50
Rate of revaluation of deferred pensions in excess of the GMP	2.50	2.30
Inflation assumption (RPI)	3.50	3.30
Inflation assumption (CPI)	2.50	2.30
Expected return on scheme assets	5.47	5.13

Allowance has been made for all members to exchange 80% of the maximum cash allowance available upon retirement. The mortality assumptions are: S1 Normal base tables projected by year of birth assuming future improvements in line with CMI 2013 core projections with a long term rate of improvement of 1.0% pa. The mortality assumptions at 31 March 2013 adopted the same base table but future improvements were assumed to be in line with CMI 2012 projections and a long term improvement rate of 0.5% pa.

The assumed life expectations on retirement at age 65

	As at 31 March 2014 Years	As at 31 March 2013 Years
Retiring today – males	86.9	86.6
Retiring today – females	89.3	88.9
Retiring in 20 years – males	88.3	87.1
Retiring in 20 years – females	90.8	89.7

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

11. Pension scheme (continued)

Further detail is given in Note 23.

At the year end, included within Other Creditors is a balance due in respect of pension contributions totalling £3,843 (2013: £4,404).

12. Expenses

There is trustee and individual liability indemnity insurance in place for trustees. This was purchased for the first time in August 2011 with Hiscox with a policy limit of £1,000,000 in the aggregate including costs.

The charity reimbursed two trustees for travel expenses amounting to £920 (2013: £980).

No trustee received any remuneration (2013: £nil).

13. Net incoming/(outgoing) resources for the year

This is stated after charging:

	2014 £	2013 £
Depreciation	129,331	134,363
Auditor's remuneration:		
- audit of the financial statements	8,400	8,150
Operating lease costs:		
- Other	13,282	18,201

The surplus dealt with in the accounts of the parent charity is £85,200 (2013: deficit £359,514).

14. Tangible fixed assets

Group	Land & Buildings £	Fixtures & Fittings £	Office Equipment £	Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation							
At 1 April 2013	1,369,188	159,195	84,043	84,795	250,692	10,500	1,958,413
Additions	-	-	7,482	6,885	12,415	14,550	41,332
Disposals	-	-	-	-	-	-	-
At 31 March 2014	1,369,188	159,195	91,525	91,680	263,107	25,050	1,999,745
Depreciation At 1 April 2013	311,088	121,086	72,936	62,776	169,483	5,741	743,110
Charge for the year	66,137	10,671	3,921	4,913	41,327	2,362	129,331
Disposals	-	-	-	-	-	-	-
At 31 March 2014	377,225	131,757	76,857	67,689	210,810	8,103	872,441
Net book value at 31 March 2014	991,963	27,438	14,668	23,991	52,297	16,947	1,127,304
Net book value at 31 March 2013	1,058,100	38,109	11,107	22,018	81,208	4,759	1,215,303

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

14. Tangible fixed assets (continued)

Charity	Land & Buildings £	Fixtures & Fittings £	Office Equipment £	Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost or Valuation							
At 1 April 2013	1,369,188	124,794	81,272	46,965	207,961	10,500	1,840,680
Additions	-	-	7,482	-	10,039	1,300	18,821
Disposals	-	-	-	-	-	-	-
At 31 March 2014	1,369,188	124,794	88,754	46,965	218,000	11,800	1,859,501
Depreciation At 1 April 2013	311,088	99,979	70,168	35,408	129,559	5,741	651,943
Charges for the year	66,137	6,645	3,920	2,515	39,668	1,442	120,327
Disposals	-	-	-	-	-	-	-
At 31 March 2014	377,225	106,624	74,088	37,923	169,227	7,183	772,270
Net book value at 31 March 2014	991,963	18,170	14,666	9,042	48,773	4,617	1,087,231
Net book value at 31 March 2013	1,058,100	24,815	11,104	11,557	78,402	4,759	1,188,737

Of the net book value for land & buildings at 31 March 2014 £22,030 (2013: £22,596) relates to long leasehold and £969,933 (2013: £1,035,504) to freehold.

Comparable historical cost for the land and buildings included

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 April 2013 and 31 March 2014	733,432
Depreciation	
At 1 April 2013	275,360
Charge for the year	44,966
At 31 March 2013	320,326
Net book value at 31 March 2014	413,106
Net book value at 31 March 2013	458,072

A valuation was conducted on February 2009 by Barclays Bank. The properties were valued at £680,000. It should be noted that this valuation was for the purpose of security of the mortgage. Since this date the depreciation rate has been increased and the difference in the valuations is being written off over 10 years.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

15. Fixed asset investments

	Group 2014	Group 2013	Charity 2014	Charity 2013 (as restated)
	£	£	£	£
Quoted investments				
Market value at 1 April	627,121	792,605	245,317	435,933
Net unrealised investment gains	24,338	55,850	13,386	30,718
Disposals	(50,000)	(221,334)	(50,000)	(221,334)
Market value at 31 March	<u>601,459</u>	<u>627,121</u>	<u>208,703</u>	<u>245,317</u>

Investments comprise units held within a managed fund.

The managed fund is a called 'HC Sequel Cautious Target Return Strategy Fund – Standard Class B. At the year end the group held 584,961.875 units. The investment managers have provided the following analysis of investments within the managed fund:-

The historic cost of investments is £638,098 (2013: £685,000).

Investment in trading subsidiary companies

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Age UK North Tyneside Trading Limited	-	-	6	6
Life Choices Plus Limited	-	-	2	2
Total	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>

Investment in trading associate companies

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Age UK North of Tyne and Gateshead Limited	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total Investments	<u>601,469</u>	<u>627,131</u>	<u>208,721</u>	<u>245,335</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

16. Stock

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Consumables	11,996	13,150	1,798	4,376

17. Debtors

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Trade debtors	290,521	189,391	152,473	63,750
Other debtors	6,060	75,190	6,060	70,317
Prepayments	23,565	8,315	16,916	6,754
Intercompany debtor	-	-	235,620	21,929
	<u>320,146</u>	<u>272,896</u>	<u>411,069</u>	<u>162,750</u>

18. Creditors: amounts falling due within one year

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 (as restated) £
Trade creditors	55,093	29,196	26,270	27,825
Other creditors	70,415	100,897	42,901	95,501
Other taxes and social security costs	36,664	43,270	18,210	27,135
Accruals	109,322	149,800	22,964	62,704
Deferred income	42,010	67,029	39,367	56,800
Loans	10,000	10,000	10,000	10,000
Intercompany creditor	-	-	-	-
	<u>323,504</u>	<u>400,192</u>	<u>159,712</u>	<u>279,965</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

18. Creditors: amounts falling due within one year (continued)

Breakdown of deferred income - Group

	Deferred income At 1 April 2013 £	Income released from prior year £	Deferred Income At 31 March 2014 £
Big Lottery – FAAF	2,825	2,825	-
Big Lottery – FAAF additional funding	247	247	-
Big Lottery – Information and Advice	-	-	4,293
NTC – supporting people	10,229	7,586	2,643
Awards for All	9,160	8,426	734
Urban Art	2,088	2,088	-
Big Lottery – FAAF (Ref. redundancy)	3,591	-	3,591
Big Lottery	37,378	7,378	30,000
Strength and Balance	605	605	-
Other	906	157	749
	<u>67,029</u>	<u>29,312</u>	<u>42,010</u>

Breakdown of deferred income - Charity

	Deferred income At 1 April 2013 £	Income released from prior year £	Deferred Income At 31 March 2014 £
Big Lottery – FAAF	2,825	2,825	-
Big Lottery – FAAF additional funding	247	247	-
Big Lottery – Information and Advice	-	-	4,293
Awards for All	9,160	8,426	734
Urban Art	2,088	2,088	-
Big Lottery – FAAF (Ref. redundancy)	3,591	-	3,591
Big Lottery	37,378	7,378	30,000
Strength and Balance	605	605	-
Other	906	157	749
	<u>56,800</u>	<u>21,726</u>	<u>39,367</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

19. Creditors: amounts falling due after one year

	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
Commercial mortgage	150,000	160,000	150,000	160,000
	<u>150,000</u>	<u>160,000</u>	<u>150,000</u>	<u>160,000</u>

The commercial mortgage was taken out with Barclays Bank plc in April 2010 to purchase Park Studios and carry out refurbishment works to the Whitley Bay Centre. The mortgage is repayable over 20 years. Barclays Bank plc have a legal charge over the Bradbury Centre. Interest is charged at a variable rate at 3.85% above base rate (0.5%).

20. Capital funds

Group and Charity

	Balance at 1 April 2013 £	Movement in Resources		Transfer between Funds £	Balance at 31 March 2014 £
		Incoming Resources £	Resources Expended £		
The Bradbury Centre	493,742	-	(44,806)	-	448,936
Cedar Grove Wellbeing Centre	242,258	-	(3,600)	-	238,658
Whitley Bay Centre	99,455	-	(3,603)	-	95,852
	<u>835,455</u>	<u>-</u>	<u>(52,009)</u>	<u>-</u>	<u>783,446</u>

The Bradbury Centre was purchased in March 2005 for £300,000 with a donation from the Bradbury Foundation.

The refurbishment of Cedar Grove Day Centre was funded by the Community Fund and the Victor Mann Trust in 1997.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

21. Restricted funds

Group and Charity

The income funds of the charity include restricted funds comprising of the following unexpended balances of donations and grants held on trusts to be applied for specific purposes.

Project	Balance at 31 March 2013 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 March 2014 £
Age UK North Tyneside FAAF	-	20,577	(22,294)	1,717	-
Age UK N East - FAAF	4,712	10,958	(10,887)	-	4,783
Health & Soc Care VF	2,634	20,866	(21,299)	-	2,201
Information & Advice	15,670	103,944	(105,104)	940	15,450
Community First LAA	1,402	-	-	-	1,402
Safe & Secure	1,571	-	-	-	1,571
Silver Dreams Fund	655	96,445	(96,151)	-	949
Knowledge Transfer Partnership	-	10,650	(10,012)	-	638
Awards for All –Food Clubs	-	4,091	(4,341)	250	-
Urban Arts Project	-	1,144	(1,103)	-	41
Individual Service Fund	-	1,564	(2,148)	584	-
	<u>26,644</u>	<u>270,239</u>	<u>(273,339)</u>	<u>3,491</u>	<u>27,035</u>

Transfers relate to amounts from unrestricted funds to meet the costs associated with restricted projects which are not fully met by income.

£10,000 was received from the Big lottery as a final payment to support the Fit as a Fiddle service in North Tyneside plus £9,547 was received from the Primary Care Trust. An additional £10k was received from the Big Lottery to support the regional co-ordination of the programme across the North East.

A grant of £19,591 was received from the Department of Health's Health & Social Volunteering Fund towards the Enabling and Befriending programme. The total grant was £39,571 for the period 1 April 2012 to 31 March 2014. This project works to improve the safety and independence of older people who have been identified by GP's as having no existing support networks, and who are at risk of social isolation due to a long term health condition.

Information & Advice was funded from grants from Big lottery £38,634 and the longstanding Service Level Agreement from North Tyneside Council of £50,641. A Benefit Advice Grant of £15,000 was received from Age UK.

Our Falls Prevention programme was funded from a Service Level Agreement from Norprime for £16,900 and £9,675 from the Primary Care Trust.

IT for All was funded by an extended Service Level Agreement with North Tyneside Council Adult Learning Alliance for £20,000. Additional money was raised through charges to customers.

The Hospital to Home project commenced on 1 September 2012 following a successful Big Lottery application to the Silver Dreams Fund. The total value of this grant is £199,934 for the period from 1 September 2012 to 31 July 2014. £96,445 (2013: £73,489) was released in this financial year.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

22. Unrestricted funds

Group

	Balance at 31 March 2013 £	Income £	Expenditure £	Net interest in associates £	Other non- trading result £	Transfer between funds £	Balance at 31 March 2014 £
Designated Funds - Project							
Commercial Services	49,018	227,685	(314,905)	-	-	74,873	36,671
Wellbeing Centres	106,828	430,065	(359,714)	-	730	(92,041)	85,868
Health and Wellbeing	20,990	98,613	(91,184)	-	-	(17,896)	10,523
Community Services	117,328	162,318	(222,682)	-	-	14,543	71,507
Corporate Services	128,322	456,841	(749,281)	-	12,656	342,376	190,914
Fundraising	3,118	73,134	(25,107)	-	-	(51,145)	-
Governance	-	-	(50,735)	-	-	58,613	7,878
David Luke	1,524	-	(185)	-	-	-	1,339
Strategic Development Fund	83,665	-	-	9,000	-	63,943	156,608
Adjust for Internal Charges	-	(412,817)	412,817	-	-	-	-
	<u>510,793</u>	<u>1,035,839</u>	<u>(1,400,976)</u>	<u>9,000</u>	<u>13,386</u>	<u>393,266</u>	<u>561,308</u>
Non Charitable Trading fund 1	3,313	-	-	-	-	-	3,313
Non Charitable Trading fund 2	406,470	3,025,740	(2,639,934)	-	10,952	(396,758)	406,470
Pension Fund	(249,000)	-	-	-	(38,000)	-	(287,000)
Total Unrestricted funds	<u>671,576</u>	<u>4,061,579</u>	<u>(4,040,910)</u>	<u>9,000</u>	<u>(13,662)</u>	<u>(3,491)</u>	<u>684,091</u>

As a result of the prior year adjustment the following reserves have been adjusted as follows:

	Strategic Development fund £	Non Charitable Trading fund 2 £
Balance as previously stated	183,265	377,255
Prior year adjustment	(99,600)	29,215
Balance brought forward as restated above	<u>83,665</u>	<u>406,470</u>

Further details are given in note 31.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

22. Unrestricted funds (continued)

Charity

	Balance at 31 March 2013 £	Income £	Expenditure £	Net interest in associates £	Other non- trading result £	Transfer between funds £	Balance at 31 March 2014 £
Designated Funds - Project							
Commercial Services	49,018	227,685	(314,905)	-	-	74,873	36,671
Wellbeing Centres	106,828	430,065	(359,714)	-	730	(92,041)	85,868
Health and Wellbeing	20,990	98,613	(91,184)	-	-	(17,896)	10,523
Community Services	117,328	162,318	(222,682)	-	-	14,543	71,507
Corporate Services	128,322	456,841	(749,281)	-	12,656	342,376	190,914
Fundraising	3,118	73,134	(25,107)	-	-	(51,145)	-
Governance	-	-	(50,735)	-	-	58,613	7,878
David Luke	1,524	-	(185)	-	-	-	1,339
Strategic Development Fund	83,665	-	-	9,000	-	63,943	156,608
Adjust for Internal Charges	-	(412,817)	412,817	-	-	-	-
	510,793	1,035,839	(1,400,976)	9,000	13,386	393,266	561,308
Adjust for intercompany trading balances	-	-	99,969	-	-	-	99,969
	510,792	1,035,839	(1,301,007)	9,000	13,386	393,267	661,277
Pension Fund	(249,000)	-	-	-	(38,000)	-	(287,000)
Total Unrestricted funds	261,792	1,035,839	(1,301,007)	9,000	(24,614)	393,267	374,277

As a result of the prior year adjustment the following reserves have been adjusted as follows:

	Strategic Development fund £
Balance as previously stated	182,767
Prior year adjustment	(99,102)
Balance brought forward as restated above	83,665

Further details are given in note 31.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

22. Unrestricted funds (continued)

Transfers relate to amounts being re-designated by the trustees.

All services are all holding reserves in line with the organisations reserves policy. This means that each project is holding two months normal revenue expenditure plus potential staff redundancy costs in reserve. The two months normal revenue expenditure is calculated using the projected expenditure for each project for the next financial year ending 31 March 2015.

The Strategic Development Fund of £156,608 will be used to manage a worst case scenario budget deficit, which calculates at £176,326 for the year ending 31 March 2015, and to invest in the organisation's three year strategy where we are entering Year Three.

23. Pension

This disclosure below is provided in respect of Age UK Retirement Benefits Scheme ("the Scheme")

A full actuarial valuation of the Scheme was carried out as at 1 April 2013 and the results of this valuation have been updated to 31 March 2014 by a qualified actuary. As required by FRS 17, the defined benefit liabilities have been measured using the projected unit method. The scheme is closed to new entrants and further benefit accrual.

The expected employer contributions for the year ending 31 March 2015 are £48,000, these contributions include an allowance for administration expenses and PPF levies.

Major categories of scheme assets as a percentage of total assets

	2014 %	2013 %
Equities	27.75	51.37
Diversified growth	22.06	-
Gifts / fixed interest gilts	25.64	28.13
Bonds/fixed interest bonds	12.62	13.97
Property	6.59	6.34
Cash	5.34	0.19

None of the scheme's assets are invested in property or other assets used by the employer.

Expected long term rates of return on scheme assets (per annum)

	2014 %	2013 %
Equities	7.00	6.50
Diversified growth	7.00	-
Gifts / Fixed interest Gilts	3.50	3.00
Bonds/Fixed Interest Bonds	4.50	4.50
Property	5.50	5.00
Cash	3.00	0.50

Expected rates of return on scheme assets	5.47	5.13
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	2014 £'000	2013 £'000
The actual return on scheme assets for the year was	195	172

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

The amounts recognised in the balance sheet are as follows:

Fair value of scheme liabilities	(1,882)	(1,673)
Fair value of scheme assets	1,595	1,424
	<u>(287)</u>	<u>(249)</u>
Related deferred tax asset	-	-
Net pension liability	<u>(287)</u>	<u>(249)</u>

Change in the fair value of scheme assets

	2014 £'000	2013 £'000
Opening fair value of scheme assets	1,424	1,257
Expected return on scheme assets	72	68
Actuarial gains	123	104
Employer contributions	48	48
Benefits paid (including expenses)	(72)	(53)
Total market value of assets	<u>1,595</u>	<u>1,424</u>

Change in the present value of the defined benefit obligation

	2014 £'000	2013 £'000
Opening defined benefit obligation	1,673	1,506
Current service cost	8	6
Interest cost	74	74
Experience (gain) / loss arising on the scheme liabilities	117	(4)
Actuarial loss	82	144
Benefits paid (including expenses)	(72)	(53)
Liabilities in scheme at end of the year	<u>1,882</u>	<u>1,673</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £'000	2013 £'000
Current service cost (1)	8	6
Interest on pension scheme liabilities	74	74
Expected return on scheme assets	(72)	(68)
Total	<u>10</u>	<u>12</u>

(1) The current service cost includes the cost of administration expenses and PPF levies

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

23. Pension (continued)

Analysis of actuarial loss recognised in the Statement of Financial Activities

	2014 £'000	2013 £'000
Actual return less expected return on scheme assets	123	104
Experience (loss) / gain arising on scheme liabilities	(117)	4
Loss arising from changes in assumptions underlying scheme liabilities	(82)	(144)
	<u>(76)</u>	<u>(36)</u>
Loss recognised in Statement of Financial Activities (2)		

(2) Pension costs of £48,000 (2013: £48,000), current service cost of £8,000 (2013: £6,000) and finance income of £2,000 (2013: £6,000) are included in the income and expenditure part of the Statement of Financial Activities. The net movement in the pension liability of £38,000 (2013: £nil) is included below Net incoming/outgoing resources.

History of experience gains and losses:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of scheme liabilities	(1,882)	(1,673)	(1,506)	(1,366)	(1,466)
Fair value of scheme assets	1,595	1,424	1,257	1,202	1,152
Deficit in the scheme	<u>(287)</u>	<u>(249)</u>	<u>(249)</u>	<u>(164)</u>	<u>(314)</u>
Experience adjustments on scheme liabilities	(117)	4	(22)	28	(23)
Experience adjustments on scheme assets	123	104	(14)	12	258
Gain/(loss) arising from a change in assumptions	<u>(82)</u>	<u>(144)</u>	<u>(92)</u>	<u>87</u>	<u>(267)</u>

Movements in surplus during the year

	2014 £'000	2013 £'000
Deficit in scheme at beginning of the year	(249)	(249)
Movement in year		
Current service cost	(8)	(6)
Contributions	48	48
Past service costs	-	-
Curtailment gains	-	-
Other finance income	(2)	(6)
Actuarial loss	(76)	(36)
Deficit in scheme at the end of the year	<u>(287)</u>	<u>(249)</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

24. Company structure

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1.00.

25. Analysis of net assets between funds

Group 2014

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Capital Fund	783,446	-	-	-	-	783,446
Restricted funds	-	-	27,035	-	-	27,035
Unrestricted funds						
Designated fund	343,858	601,469	(234,019)	(150,000)	-	561,308
Trading fund 1	-	-	3,313	-	-	3,313
Trading fund 2	-	-	406,470	-	-	406,470
Pension fund	-	-	-	-	(287,000)	(287,000)
	<u>343,858</u>	<u>601,469</u>	<u>175,764</u>	<u>(150,000)</u>	<u>(287,000)</u>	<u>684,091</u>
	<u>1,127,304</u>	<u>601,469</u>	<u>202,799</u>	<u>(150,000)</u>	<u>(287,000)</u>	<u>1,494,572</u>

Group 2013

	Tangible Fixed Assets £	Investments £	Net Current Assets (as restated) £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total (as restated) £
Capital Fund	835,455	-	-	-	-	835,455
Restricted funds	-	-	26,644	-	-	26,644
Unrestricted funds						
Designated fund	379,848	627,131	(222,060)	(160,000)	-	624,919
Trading fund 1	-	-	3,313	-	-	3,313
Trading fund 2	-	-	292,343	-	-	292,343
Pension fund	-	-	-	-	(249,000)	(249,000)
	<u>379,848</u>	<u>627,131</u>	<u>73,596</u>	<u>(160,000)</u>	<u>(249,000)</u>	<u>671,575</u>
	<u>1,215,303</u>	<u>627,131</u>	<u>100,240</u>	<u>(160,000)</u>	<u>(249,000)</u>	<u>1,533,674</u>

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

25. Analysis of net assets between funds (continued)

Charity 2014

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Capital Fund	783,446	-	-	-	-	783,446
Restricted funds	-	-	27,035	-	-	27,035
Unrestricted funds						
Designated fund	303,785	208,721	298,771	(150,000)	-	661,277
Pension fund	-	-	-	-	(287,000)	(287,000)
	<u>303,785</u>	<u>208,721</u>	<u>298,771</u>	<u>(150,000)</u>	<u>(287,000)</u>	<u>374,277</u>
	<u>1,087,231</u>	<u>208,721</u>	<u>325,806</u>	<u>(150,000)</u>	<u>(287,000)</u>	<u>1,184,758</u>

Charity 2013

	Tangible Fixed Assets £	Investments (as restated) £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total (as restated) £
Capital Fund	835,455	-	-	-	-	835,455
Restricted funds	-	-	26,644	-	-	26,644
Unrestricted funds						
Designated fund	353,282	245,355	72,156	(160,000)	-	510,793
Pension fund	-	-	-	-	(249,000)	(249,000)
	<u>353,282</u>	<u>245,355</u>	<u>72,156</u>	<u>(160,000)</u>	<u>(249,000)</u>	<u>261,295</u>
	<u>1,188,737</u>	<u>245,355</u>	<u>98,800</u>	<u>(160,000)</u>	<u>(249,000)</u>	<u>1,123,892</u>

26. Capital commitments

There were no capital commitments at 31 March 2014 or 31 March 2013.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

27. Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below

	2014		2013	
	Land & Buildings	Other items	Land & Buildings	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	49,016	330	–	29,248
Within 1 to 2 years	–	–	43,016	–
Within 2 to 5 years	–	15,718	–	–
Total	49,016	16,048	43,016	29,248

28. Subsidiary undertakings

At 31 March 2013 the company held more than 20% of the allotted share capital in the following undertakings:

	Country of registration	Class of share capital held	Proportion held	Nature of business	Capital & reserves at 31.3.14 £	Profit/(Loss) for the Year ended 31.3.14 £
Age UK North Tyneside Trading Limited	England & Wales	Ordinary	100.00%	Insurance Services (non-trading in period)	3,319	–
Life Choices Plus Limited	England & Wales	Ordinary	100.00%	Home Care Services	306,785	(110,640)
Age UK North of Tyne & Gateshead Enterprises Limited	England & Wales	Ordinary	33.33%	Insurance Services	497	267

29. Related party transactions

During the year the following intercompany transactions took place with Life Choices Plus Limited;

The company provided Life Choices Plus Limited with services including the hire of premises, and staffing. Amounts totalling £223,747 (2013: £199,600) for these services were recharged by the company in the year.

Amounts totalling £35,000 (2013: £nil) were charged by the company for the provision of training.

Amounts totalling £38,624 (2013: £nil) were charged by the company for the provision of catering

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AS AT 31 MARCH 2014

29. Related party transactions (continued)

Amounts totalling £13,258 (2013: £nil) were paid by the company for the provision of cleaning services.

Life Choices Plus Limited donated £375,078 (2013: £308,718) to the charity. At the year end £216,673 (2013: £57,570) was due to Charity and included within intercompany debtors.

During the year, the charity received a £9,000 (2013: £ 10,000) donation from Age UK North of Tyne & Gateshead Enterprises Limited, a company which is 33.3% owned by the charity. At the year end £5,000 (2013: £10,000) was due to Charity. Amounts totalling £15,528 (2013: £15,659) were received in respect of management fees and service charges from Age UK North of Tyne & Gateshead Enterprises Limited. At the year end £nil (2013: £nil) was due to Charity

No further transactions have been undertaken which would require disclosure.

30. Controlling party

The members of the Board of Trustees, as subscribers, are considered to be the controlling party.

31. Prior year adjustment

The group and charity balance sheets for the year ended 31 March 2013 have been restated.

The restatement relates to the following;

1. The investments are held in a managed fund for Age UK North Tyneside (parent charity) and Life Choices Plus Limited (100% subsidiary company). The split of funds held by both the parent charity and the subsidiary company have been re-assessed and more suitably allocated across the group on the basis that Life Choices Plus Limited holds 45% and the charity holds 55% of the investment fund. This adjustment has had no impact on the group results but has resulted in a brought forward decrease in investments of £99,600 at 1 April 2013. There was a historic over accrual relating professional fees within the charity of £498 which has been restated in the charity to align to reserves with that of the group. The net impact on the charity reserves being £99,102. (refer to note 22 – Charity) The charity funds have decreased from £1,222,994 as at 31 March 2013 to £1,123,892.
2. There was a historic omission of an accrual relating to payroll expenses in Life Choices Plus Limited. This has been recognised in the year ended 31 March 2014 and the accrual balance as at 31 March 2013 has been restated. This adjustment has had no impact on the results of the charity but has reduced the group reserves by £70,386 (refer to note 22 – Group). The group funds have decreased from £1,604,060 as at 31 March 2013 to £1,533,674.