

Company registration number: 03639406

Charity registration number: 1072394

AGE UK NORTHUMBERLAND

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2019



Age UK Northumberland

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Age UK Northumberland

Reference and Administrative Details

Trustees

A Marsh
A S Brindle
G B Hall
S C Milliken
P J Grahamslaw
H Moore (appointed 30 July 2019)
L Brydon (appointed 30 July 2019)
R M Francis (appointed 30 July 2019)
R McEvoy (appointed 5 August 2019)
P Jenkins (resigned 16 October 2018)
R Firth (resigned 30 July 2018)
G M James (resigned 12 December 2018)

Key Management Personnel

H Mills - CEO (resigned February 2019)
L Webb - Head of Finance (resigned July 2019)
M Sembukuttige - Deputy Head of Finance (resigned December 2018)
B Lyden - Head of Homecare (resigned May 2018)
R Todd - Head of Marketing (resigned April 2019)
C Fortune - Registered Manager (Homecare)
P Jenkins - Head of Homecare (appointed September 2019)
A Whyte - Head of Charitable Services (appointed July 2019)

Principal Office

The Round House
Lintonville Parkway
Ashington
Northumberland
NE63 9JZ

The charity is incorporated in England and Wales.

Company Registration Number 03639406

Charity Registration Number 1072394

Bankers

Unity Trust Bank plc
4 Brindley Place
Birmingham
B1 2JB

The Co-operative Bank plc
84-86 Grey Street
Newcastle upon Tyne
NE1 6BZ

Auditor

MHA Tait Walker
Senior Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Age UK Northumberland

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2019.

Structure, governance and management

Nature of governing document

Age UK Northumberland was established in September 2010 and is a brand partner of Age UK England, however the organisation has been in existence since the 1950's.

Age UK Northumberland is a company limited by guarantee and is a registered charity with the Charity Commission. It owns the one and only share of Age UK Northumberland Trading Ltd. The company is operated by a Board of Trustees. The powers, duties and responsibilities of the Board of Trustees are laid down in the Memorandum and Articles of Association of the company.

Age UK Northumberland owns 33% of the share capital of Age UK North of Tyne and Gateshead Enterprises, held as a Joint venture within the financial statements.

Age UK Northumberland aims to promote the well-being of older people in and around Northumberland. It is the ambition of Age UK Northumberland that everyone in later life:

- Can have a reasonable standard of living
- Can enjoy life and feel well
- Can receive high quality health and social care
- Can be comfortable, safe and secure at home
- Can feel valued and able to participate
- Can have their voice heard and influence decisions that affect their lives.

Officers

The members of the Board of Trustees during the year are shown on Page 1.

The Board is supported by members of the Senior Leadership Team as shown on page 1.

Key Management Personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charity, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with the budget and forecast information, ensuring that the charity can afford any proposed increases. The board then agree any uplift to remuneration.

Age UK Northumberland

Trustees' Report

Board of Trustees and organisational structure

The Board of Trustees sets the policy, strategy, direction and governance of the charity. Board meetings take place monthly or quarterly depending on the needs of the charity. The board is supported by the two AUKN Sub-Committees and a working party:

- Finance and Risk Sub committee
- Home Care Sub committee
- Strategic Working Party - established on 8th March 2017

It is through these sub-committees that the Senior Leadership Team engage with Trustees in a constant conversation about current performance and the implications of external factors that may impact the charities sustainability and ability to meet its Objects.

The Charity is managed on a daily basis by the Chief Executive Officer and the Senior Leadership team. The responsibilities of the Senior Leadership team are:

- CEO - Leadership Charitable Activities, Trade
- Head of Finance, Quality & HR - Finance, Payroll, HR administration, Quality Assurance
- Head of Homecare - Homecare services
- HR Advisor - HR strategy
- Head of Income Generation - Income, Fundraising, Grants, Marketing, PR, Volunteer Management

Recruitment and appointment of trustees

Applications to become a Trustee are welcomed from any individual who can empathise with the objectives of Age UK Northumberland. Applicants are given full details of the charity and an outline of what is expected of them in their role as a Trustee. They are then interviewed and Trustees are appointed at the Annual General Meeting (AGM) for a period of three years, with an option to extend by up to three more years. The Board of Trustees has the power to co-opt Trustees between AGM's but the co-opted Trustee must submit themselves to election at the next AGM.

Induction and training of trustees

Newly appointed Trustee undertake a full induction programme including DBS checks. All Trustees operate in a voluntary capacity and receive no benefits from the Charity. All expenses are re-claimed from the charity are set out in the financial statements.

Risk and Risk Management

The Board of Trustees continuously assesses all types of risk to the organisation. The strategic risk register is reviewed at each board meeting and is an integral part of the strategic planning review process as part of Age UK Northumberland's governance arrangements. This is supplemented by a number of operation risk registers by the sub-committees.

The Board receives period risk and audit assessments from appropriate external bodies to support its risk management. This includes Age UK Quality Assurance, Health & Safety, Age UK Homecare, Grant Impact Assessments.

Age UK Northumberland

Trustees' Report

Employment of disabled persons

Age UK Northumberland Limited welcomes applications for employment from all prospective employees regardless of disabilities. Age UK Northumberland Limited is committed to developing practices that not only meet the requirements of equalities legislation but which actively promote equality of opportunity and maximise the abilities, skills and experience of all employees. This includes ensuring that employees are managed in an inclusive way, taking into account individual differences and giving employees the confidence to disclose a disability should they so wish. If an employee discloses that they have a disability, we will engage in a discussion with them to determine training, specialist technology or equipment, for example. In deciding what is reasonable, the practicalities and resources available to Age UK Northumberland should be taken into account.

Objectives and activities

Objects and aims

The objects, for which AUKN is established, are stated in the Memorandum of Association 2010 and are as follows:

To promote the following purposes for the benefit of the public and for older people in and around Northumberland:

- Preventing or relieving poverty of older people
- Advancing education
- Preventing or relieving sickness, disease or suffering in older people (whether social, mental or physical)
- Promoting equality and diversity
- Promoting the human rights of older people in accordance with the European Declaration of Human Rights
- Assisting older people in need by reason of ill-health, disability, financial hardship, social exclusion or other disadvantage and;
- Such other charitable purposes for the benefit of older people as the Trustees may from time to time decide

There are no restrictions specified in the Memorandum and Articles of Association other than the geographical restriction and the fact that its activities must be for the benefit of 'elderly people'. The reference to Northumberland refers to the administrative County of Northumberland following the reorganisation of local government.

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. All strategic objectives are linked to the aims and values as set out in the Memorandum of Articles.

Age UK Northumberland

Trustees' Report

The 2017 - 2020 Strategic Plan

The 2017 - 2020 Strategic Plan sets out how we think, operate, deliver services and engage our communities.

When you engage with Age UK Northumberland, we pride ourselves on delivering against our **Brand Promise** - To support, enable and inspire the local community to age well, empowering older people to thrive.

The core **Organisational Principles (our underlying DNA)** upon which we govern and make our decisions shall focus on:

- Deliver Information and Advice Services that meet the needs of the most vulnerable older members of our local community regardless of funding source
- Be a self-sustaining organisation by raising funds and generating income through trading activities for the purposes of delivering charitable services free to older people in need
- Use a geographical asset based approach to work in partnership with others in the delivery of care and support to older people within our local community
- Become a key partner in improving outcomes for older people and as influencers of policy
- Be the trusted provider of choice for older people, in delivering person centred, flexible, accessible and equitable services that meet the needs of our local community, whilst building our knowledge base
- Recruit, develop and value our team of volunteers, staff and trustees who when working effectively together will continuously improve our services for older people

Our strategic objectives are:

1. Deliver person centred services
2. Improve health & wellbeing
3. Reduce Loneliness - our ultimate goal is to eliminate loneliness where possible
4. Be the first port of call - for all matters relating to older people in Northumberland
5. Protect and promote rights

It is the Boards intention to take stock of our progress against this strategic plan during the 2019/20 period with a view to bringing it up to date to meet the forward demands of older People in Northumberland and ensure the charity continues to be fit for purpose.

2018/19 Performance

During 2018/19 the Board continued to pursue the strategy formulated at the end of 2017, for the period of 2017 - 2020.

National demographics continue to show the older population of Northumberland increasing by over 33% by 2036 resulting in greater needs of our services, in particular, tackling loneliness, dementia, advocacy, Welfare, Health & Wellbeing and Homecare.

The economic, social and health conditions facing older people and our communities continued to be challenging. This has meant that our charity has continued to face increased external pressures from reducing public sector expenditure, reducing availability of grants & funds, changes in commissioning practices by Local Authorities, changes in minimum wage and travel time affecting our wage bill, pension scheme performance, increased competition for each charitable donation, battle for talent across all our services, changes in legislation, training and quality standards. This coupled with the complexity of delivery of services and contracts have also led to increased demand during the year.

We expect these and other external factors to only increase during this strategic period adding further pressures to our performance.

Age UK Northumberland

Trustees' Report

During the 2018/19 fiscal year we have continued restructuring our charity for long term sustainability. This restructuring has impacted our financial performance but has put us in a good position to continue to thrive in future years.

Investment has been needed to continue to reach these standards and levels of delivery. Luckily Age UK Northumberland has had the financial resource to survive this, enabling continued delivery of services for older people in our county. Due to this, the end financials do record a further deficit and reduction in overall reserves. We have, however, also been able to address significant pension liabilities and service pricing thus removing significant liabilities and exposure.

The development of services is at the core of achieving our ambitions. We maintained our focus on delivering tailored services and continued to work collaboratively with our wider Age UK colleagues, experts, sub-contractors, volunteers, partners (like Dementia UK) and wider stakeholders.

Increasing our visibility and encouraging greater support from our wider community has also been a key area during the year. We have invested in our fundraising, marketing and corporate engagement activities and are starting to see development of this vital income source.

Once again our volunteers and staff continued to provide a critical contribution to older people in Northumberland and without them we would not be able to provide the range of services and support needed.

At the end of the fiscal year, on the back of some key resignations, we took the decision to restructure the leadership teams and therefore how we deliver our services. This has not only released significant funds back to our core services but has allowed us to properly focus on the differing demands that our homecare and charitable services face. We have therefore simplified our leadership to just a Head of Homecare and a Head of Charitable Services both reporting to me as Chair. The full benefits of this restructure will only be seen in future years.

We are delighted to say that despite all these challenges and difficult decisions we have had to make in the year, we have been able to continue to provide some outstanding achievements for older people in and around Northumberland.

Age UK Northumberland Achievement in 2018/19

The key highlights are:

- Delivered over 11,000 care hours per week
- Continued to invest in key appointments
- We continue to hold our Volunteer Awards to recognise the great contributions they provide
- Volunteers donated over 24,000 hours of support in delivering services for older people
- Continued to provide outreach lunch clubs and day services
- Continued our focus on tackling loneliness and cementing the friendship line
- Continued our fundraising activities including the Chairman's ball held at Woodhorn Colliery
- Delivered over £1.6m of annualised benefits for older people that would otherwise be unclaimed
- Enabled 11,000 older people keep fit
- Maintained our ISO9001:2008 quality mark
- Maintained our compliance to the Age UK Organisation Quality Standard

Age UK Northumberland

Trustees' Report

Pension Arrangement

Age UK Northumberland was an admitted body to the Northumberland County Council Pension Fund during the preceding and current year. As from 31 March 2019 the council have subsumed the pension scheme liabilities and removed these liabilities from the charity's balance sheet. As a result the charity has no further liability to the Northumberland County Council Pension Fund.

All new monthly paid employees are eligible to join the defined contribution pension scheme.

Further details are given in the notes to the financial statements.

Fundraising disclosures

The charity is required to report how it deals with fundraising from the public. The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Financial review

Going concern

During the financial year to 31 March 2019 the charity has faced increased external pressures from reducing public sector expenditure, reducing availability of grants & funds, changes in commissioning practices by Local Authorities, changes in minimum wage and travel time affecting our wage bill, pension scheme performance, increased competition for each charitable donation. Such pressures ate into unrestricted reserves that had been built up over the years.

The management accounts to 30 November 2019 show a trend of reduced losses (on an ongoing monthly and quarterly basis), as the trustees' plan of reducing costs and increasing revenue takes effect. The trustees have prepared budgets and forecasts (which continues this trend) showing the charity returning to a sustained monthly and quarterly surplus in the new 2020 financial year end. Our forecasts show the charity will have more than sufficient cash and net current asset resources to enable the charity to continue as a going concern.

Investment policy and objectives

In accordance with the Memorandum of Articles the Board of Trustees is empowered to invest monies not immediately required for the charities own purposes in such investments, securities or property that it deems fit, provided that the Board seeks written expert advice from a person of standing who is authorised to give investment advice under the Financial Services Act 1986 or other relevant legislation.

The Trustees undertook an assessment of investment options, via a tender process involving Rathbones, St James' Place and Brewin Dolphin. Following further evaluation of the reserves available and investment options presented, the Trustees determined the outcomes would not be sufficient to invest.

This investment policy will continue to be reviewed by the Board during 2019/20

Age UK Northumberland

Trustees' Report

Policy on reserves

Age UK Northumberland's reserves amounted to £999,111 at 31 March 2019, of which £190,781 were restricted funds. The organisation recognises that the restricted funds are monies held subject to specific conditions set by the donor or funder.

The Trustees have examined the requirements of the Charity to identify free reserves in accordance with the definition included within the charity statement of recommended practice (SORP).

Free reserves are calculated as unrestricted reserves that are freely available and are the net current assets of the charity, excluding any funds relating to restricted funds. As at 31 March 2019 free reserves are calculated as totalling £521,241 equating to 1 ¼ months running costs.

The Trustees recognise that the free reserves at 31 March 2019 fall below their aim of holding a minimum of six months running costs should there be an interruption in any of its funding sources.

Over the years the organisation has been fortunate in receiving various legacies, donations and grants to finance some of its activities. These are usually given for specific purposes and are treated as restricted funds in the financial statements. The movement in these funds during the financial year to 31 March 2019 can be seen in the financial statements. Further details on the restricted funds created by donations and legacies can be found at Note 23 to these accounts.

Plans for future periods

As a charity we face many challenges in the coming year - cost pressures, public spending pressures, access to donations & grants, commissioning strategies, changes to employment law, access to talent and changing demographic needs.

We will continue to ensure we have the ability and capacity to deliver our contracted services and work will continue to grow our private care provision. We will also continue to develop new services across our county whilst implementing operational efficiencies.

Our Strategic Objectives are firmly in place, along with a refreshed set of values and goals, governed by The Execution Roadmap© framework.

Public benefit

The trustees have referred to the guidance in the Charities Commission's general guidance on public benefit when reviewing the aims and objectives in planning future activity. The charitable objectives are set out to ensure clear and demonstrable public benefit.

Age UK Northumberland aims to improve the quality of lives for older people within the county.

Age UK Northumberland

Trustees' Report

Our **Home Care** services provide high quality health and social care for people in their homes, for example help with dressing, washing and managing the home. This helps people to remain independent. We consult people in planning what they need and we help them to enjoy life, feel valued and for some we provide their only regular contact with other people.

Age UK Northumberland consolidated its contracts for Northumberland County Council, delivering Home Care equalling 67,000 sessions of care per month.

Our **Day Care** services and **Lunch Clubs** operate in Alnmouth, Alnwick, Amble, Bedlington, Blyth, Corbridge and Lesbury. They are valuable opportunities for people to get out, socialise, volunteer, learn and have fun. The services offer high standards of social care, including support for people with dementia. Participants and volunteers are involved in planning and providing the activities. The lunch clubs are run entirely by volunteers.

Our **Information and Advice** services provide free confidential advice to over 3,000 older people each year on a very wide range of issues. These include state benefits - our team secured over £1.6m in annualised benefits for older people in 2018, finding appropriate accommodation and care services, will writing, staying warm and safe at home, social activities and falls prevention. We also offer a fee-based service offering expert support on preparing powers of attorney.

All our advice services help people to participate in an informed way on decisions that affect their well-being, rights and enjoyment of life. During this reporting period a workshop was developed with the aim of seeking to agree a sustainable service and organisational model to best meet the needs of the older people using Age UK Northumberland Charitable Services and ensuring that the referral pathway to other services is seamless. What materialised was a triage model based service approach, meaning that for every call and visit received by Age UK Northumberland, Reception staff were trained in triage techniques.

The Information and Advice Staff were trained in guided conversation and when Reception staff refer an older person to the team, they ensure that the older persons needs were assessed using an assessment framework and guided conversation,

'**Social Friday's**' continue to grow supporting older people in developing friendships and signposting them to information & advice were necessary.

Our **Advocacy** service empowers people to have their voice heard on issues that are important to them, to ensure that their views and wishes are genuinely considered and to defend and secure their rights. It reduces peoples' anxiety and gives them a voice in decisions that affect their lives. The advocacy service fills the gaps for older vulnerable people who do not have a statutory right to advocacy support.

Our **Health and Wellbeing and fitness** services run from our centre in Ashington and out in several community settings across the county. In Ashington we offer a wide range of classes and activities such as Zumba, Knit, Stitch and Natter, Chair based exercise, IT classes, pilates and Qi Gong. Social Fridays are a social group where individuals can have a cup of tea or coffee whilst meeting with staff and make new friends within a relaxed setting. We also provide a gym facility that people can use at their convenience. In the community we offer falls prevention programmes, support for people with long term health conditions and fitness classes.

Our **Café** is a great meeting place and great value. It is an important social space that people use before and after using our services. It is a good way for people to first get to know us and gain the confidence to participate in our other activities and services.

Our **Volunteering** services support people to help others and benefit themselves from participating, learning skills, socialising and having fun. Many of our services rely on our excellent team of volunteers.

Age UK Northumberland

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Age UK Northumberland for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

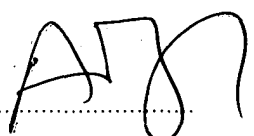
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

The annual report was approved by the trustees of the charity on 19.12.19 and signed on its behalf by:


A Marsh
Trustee

Age UK Northumberland

Independent Auditor's Report to the Members of Age UK Northumberland

Opinion

We have audited the financial statements of Age UK Northumberland (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2019 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- notwithstanding the disclosure in Note 1 to the financial statements the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Age UK Northumberland

Independent Auditor's Report to the Members of Age UK Northumberland

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, 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.

Age UK Northumberland

Independent Auditor's Report to the Members of Age UK Northumberland

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 20.12.19

MHA Tait Walker is a trading name of Tait Walker LLP.

Age UK Northumberland

Consolidated Statement of Financial Activities for the Year Ended 31 March 2019

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income and Endowments from:					
Donations and legacies	4	20,867	136,106	156,973	265,087
Charitable activities	5	8,138,334	-	8,138,334	5,975,334
Other trading activities	6	31,206	-	31,206	68,305
Investment income	7	3,009	-	3,009	5,374
Total Income		8,193,416	136,106	8,329,522	6,314,100
Expenditure on:					
Trading activities		(8,565)	-	(8,565)	(38,437)
Charitable activities	8	(8,419,854)	(126,179)	(8,546,033)	(6,784,168)
Total Expenditure		(8,428,419)	(126,179)	(8,554,598)	(6,822,605)
Net (expenditure)/income		(235,003)	9,927	(225,076)	(508,505)
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes		-	-	-	(90,000)
Net movement in funds		(235,003)	9,927	(225,076)	(598,505)
Reconciliation of funds					
Total funds brought forward		1,043,333	180,854	1,224,187	1,822,692
Total funds carried forward	24	808,330	190,781	999,111	1,224,187

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 24.

Age UK Northumberland

Comparative Consolidated Statement of Financial Activities for the Year Ended 31 March 2018 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	4	62,499	202,588	265,087
Charitable activities	5	5,975,334	-	5,975,334
Other trading activities	6	68,305	-	68,305
Investment income	7	3,910	1,464	5,374
Total income		<u>6,110,048</u>	<u>204,052</u>	<u>6,314,100</u>
Expenditure on:				
Raising funds		(38,437)	-	(38,437)
Charitable activities	8	<u>(6,601,770)</u>	<u>(182,398)</u>	<u>(6,784,168)</u>
Total expenditure		<u>(6,640,207)</u>	<u>(182,398)</u>	<u>(6,822,605)</u>
Net (expenditure)/income		(530,159)	21,654	(508,505)
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes		<u>(90,000)</u>	-	<u>(90,000)</u>
Net movement in funds		(620,159)	21,654	(598,505)
Reconciliation of funds				
Total funds brought forward		<u>1,663,492</u>	<u>159,200</u>	<u>1,822,692</u>
Total funds carried forward	24	<u><u>1,043,333</u></u>	<u><u>180,854</u></u>	<u><u>1,224,187</u></u>


Age UK Northumberland

(Registration number: 03639406)

Consolidated Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	533,454	544,539
Investments		10	-
		<u>533,464</u>	<u>544,539</u>
Current assets			
Stocks	17	137	137
Debtors	18	429,127	759,044
Cash at bank and in hand		<u>1,265,143</u>	<u>1,251,298</u>
		1,694,407	2,010,479
Creditors: Amounts falling due within one year	19	<u>(982,385)</u>	<u>(987,535)</u>
Net current assets		<u>712,022</u>	<u>1,022,944</u>
Total assets less current liabilities		1,245,486	1,567,483
Creditors: Amounts falling due after more than one year	20	(246,375)	(270,296)
Provisions	22	-	(73,000)
Net assets		<u>999,111</u>	<u>1,224,187</u>
Funds of the group:			
Restricted funds		190,781	180,854
Unrestricted income funds			
Unrestricted funds		<u>808,330</u>	<u>1,043,333</u>
Total funds	24	<u>999,111</u>	<u>1,224,187</u>

The financial statements on pages 14 to 45 were approved by the trustees, and authorised for issue on 19.12.19 and signed on their behalf by:



 A Marsh
 Trustee

Age UK Northumberland

(Registration number: 03639406)
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	531,401	543,274
Investments		<u>11</u>	<u>1</u>
		<u>531,412</u>	<u>543,275</u>
Current assets			
Debtors	18	531,789	835,251
Cash at bank and in hand		<u>1,163,717</u>	<u>1,153,930</u>
		1,695,506	1,989,181
Creditors: Amounts falling due within one year	19	<u>(982,048)</u>	<u>(985,207)</u>
Net current assets		<u>713,458</u>	<u>1,003,974</u>
Total assets less current liabilities		1,244,870	1,547,249
Creditors: Amounts falling due after more than one year	20	(246,375)	(270,296)
Provisions	22	<u>-</u>	<u>(73,000)</u>
Net assets		<u>998,495</u>	<u>1,203,953</u>
Funds of the charity:			
Restricted funds		190,781	180,854
Unrestricted income funds			
Unrestricted funds		<u>807,714</u>	<u>1,023,099</u>
Total funds	24	<u>998,495</u>	<u>1,203,953</u>

The financial statements on pages 14 to 45 were approved by the trustees, and authorised for issue on 19.12.19 and signed on their behalf by:

.....
A Marsh
Trustee

Age UK Northumberland

Consolidated Statement of Cash Flows for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash expenditure		(225,076)	(598,505)
Adjustments to cash flows from non-cash items			
Depreciation		14,195	90,814
Investment income	7	(3,009)	(5,374)
Financial instrument net (gains) losses through statement of financial activities		-	848
Revaluation of pension scheme		<u>(73,000)</u>	<u>(127,000)</u>
		(286,890)	(639,217)
Working capital adjustments			
Decrease in stocks	17	-	60
Decrease/(increase) in debtors	18	329,917	(425,954)
Increase in creditors	19	75,320	290,861
(Decrease)/increase in deferred income	20	<u>(80,899)</u>	<u>18,759</u>
Net cash flows from operating activities		<u>37,448</u>	<u>(755,491)</u>
Cash flows from investing activities			
Interest receivable and similar income	7	3,009	5,374
Purchase of tangible fixed assets	15	(3,110)	(1,320)
Sale of tangible fixed assets		-	62
Acquisition of investments in subsidiary undertakings		<u>(10)</u>	<u>-</u>
Net cash flows from investing activities		(111)	4,116
Cash flows from financing activities			
Repayment of loans and borrowings	19	<u>(23,492)</u>	<u>(22,964)</u>
Net increase/(decrease) in cash and cash equivalents		13,845	(774,339)
Cash and cash equivalents at 1 April		<u>1,251,298</u>	<u>2,025,637</u>
Cash and cash equivalents at 31 March		<u><u>1,265,143</u></u>	<u><u>1,251,298</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

1 Going Concern

The trustees acknowledge the less than satisfactory results of the charity in the financial year, which give rise to a Net Current Asset position at the 31 March 2019 year end of £712,022 (including cash at bank of £1,265,143). Since the year end, the management accounts to 30 November 2019 show a further loss in the eight month period of £339,105 and a reduced Net Current Asset position of £389,620 (including cash at bank of £543,348).

The management accounts to 30 November 2019 show a trend of reduced losses (on an ongoing monthly and quarterly basis), as the trustees' plan of reducing costs and increasing revenue takes effect. The trustees have prepared budgets and forecasts (which continues this trend) showing the charity returning to a sustained monthly and quarterly surplus in the new 2020 financial year end. The forecasts prepared show that if the trustees' plans come to fruition then the charity will have more than sufficient cash and net current asset resources to enable the charity to continue as a going concern for at least the next twelve months after the point the board approves the financial statements.

As a result of the improving results to 30 November 2019 and the forecasts prepared, the charity's trustees have concluded that there are no material uncertainties in respect of the charity's ability to continue as a going concern. It is based on these assumptions and forecasts that the board have concluded that the charity is a going concern and the reason why the charity's trustees have continued to prepare the financial statements on a going concern basis.

2 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is: The Round House, Lintonville Parkway, Ashington, Northumberland, NE63 9JZ

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Statement of compliance

The financial statements have been prepared 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Age UK Northumberland 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 notes.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2019.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a loss after tax for the financial year of £205,458 (2018- loss of £607,920).

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are considered to be no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which effect the amounts recognised in the financial statements.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are as follows:

Depreciation is estimated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of assets is detailed in the depreciation accounting policy.

Income and endowments

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 the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Other trading activities

Income from commercial trading activities is recognised as earned (as the related goods and services are provided) and as rental and service charges fall due.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Where more than one item is purchased at the same time and the total cost exceeds £500 this may be capitalised.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Equipment	12.5% straight line
Furniture	12.5% straight line
Office equipment	12.5% straight line
Motor vehicles	25% reducing balance
Computer equipment	33.3% straight line
Buildings	2.5% straight line

Impairment of fixed assets

Buildings were impaired during the year ended 31st March 2010 by £1,527,404. A subsequent valuation report was obtained during April 2015 which did not change this original impairment.

In prior periods, subsequent to impairing the building, the board agreed to calculate depreciation and charge this annually based on the building's original cost. This had the effect of further reducing the Net Book Value of the building below £500k. The board have since agreed to revise the depreciation policy to that stated below, which has had the effect of no depreciation being charged on buildings in the current 31 March 2019 year end (which would otherwise have been £64k).

The depreciation policy on buildings is changed to; Depreciation will be calculated on the cost of the building at a rate of 2.5% per annum. However, the board will not depreciate the building further once its carrying value is reduced below £500k. The board believe that the residual value of the building will not reduce below £500k, and that all ongoing repairs and maintenance charged to the S.O.F.A during the period reflect the cost of using the building.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees. At 31 March 2018, the trustees took the decision to close all designated funds. As such, at the year end a transfer took place between general unrestricted and designated unrestricted funds accordingly.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Hire purchase and finance leases

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and hire purchase contracts and represents a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged in the income and expenditure account on a straight line basis over the lease term.

Pensions and other post retirement obligations

Some of Age UK Northumberland's employees are members of the Northumberland County Council pension scheme. This is a defined benefit scheme. The regular cost of providing retirement pensions and related benefits for these members of staff is charged to the Statement of Financial Activities over the employees' service lives on the basis of percentage of earnings and a fixed element. The assets of the scheme are held separately from those of the company in an independently administered fund.

Age UK Northumberland was an admitted body to the Northumberland County Council Pension Fund during the preceding and current year. As from 31 March 2019 the council have subsumed the pension scheme liabilities and removed these liabilities from the charity's balance sheet. As a result the charity has no further liability to the Northumberland County Council Pension Fund. The comparative figures for the prior 2018 year end are shown for comparative purposes.

Other eligible staff are automatically enrolled into the Peoples Pension. The regular cost of providing retirement pensions and related benefits for these members of staff is charged to the Statement of Financial Activities over the employees' service lives on the basis of percentage of earnings.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Accounting policies (continued)

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

4 Income from donations and legacies

	Unrestricted funds			
	General	Restricted	Total	Total
	£	funds	2019	2018
		£	£	£
Donations from individuals	7,828	4,000	11,828	28,257
Legacies	7,387	-	7,387	53,000
Gift aid reclaimed	4,163	-	4,163	158
Grants from other charities	1,489	132,106	133,595	183,672
	<u>20,867</u>	<u>136,106</u>	<u>156,973</u>	<u>265,087</u>

	2019	2018
	£	£
Ballinger Charitable Trust	40,786	41,489
EON I&A Grant	18,600	19,220
Dunhill	16,279	20,606
Community Foundation	923	2,037
Other	1,489	1,506
Vattenfall Wind Farm	9,928	-
Masonic Trust	31,986	-
Community Chest	854	-
Living With and Beyond Cancer	12,750	-
Macmillan Cancer Support	-	34,517
Care & Repair Silverlinks	-	38,517
Ballinger Trust Paying It Forward	-	17,403
Comic Relief	-	6,937
Retail Taper Grant 500	-	1,440
	<u>133,595</u>	<u>183,672</u>

5 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Charitable activities	<u>8,138,334</u>	<u>8,138,334</u>	<u>5,975,334</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

6 Income from other trading activities

	Unrestricted funds	Total 2019	Total 2018
	General	2019	2018
	£	£	£
Other trading income	36,206	36,206	68,305
Lotteries and competitions income	(5,000)	(5,000)	-
	<u>31,206</u>	<u>31,206</u>	<u>68,305</u>

7 Investment income

	Unrestricted funds	Total 2019	Total 2018
	General	2019	2018
	£	£	£
Interest receivable on bank deposits	<u>3,009</u>	<u>3,009</u>	<u>5,374</u>

8 Expenditure on charitable activities

	Activity undertaken directly	Total 2019	Total 2018
	£	£	£
Commercial trading	8,565	8,565	38,437
Charitable activities	<u>8,546,033</u>	<u>8,546,033</u>	<u>6,784,168</u>
	<u>8,554,598</u>	<u>8,554,598</u>	<u>6,822,605</u>

£8,428,419 (2018 - £6,640,207) of the above expenditure was attributable to unrestricted funds and £126,179 (2018 - £182,398) to restricted funds.

Included in the expenditure analysed above, there are governance costs of £302,147 (2018 - £180,150) which relate directly to charitable activities. See note 9 for further details.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Analysis of governance and support costs

Support costs allocated to charitable activities

	Governance costs £	Total 2019 £	Total 2018 £
Employment costs	165,107	165,107	127,549
Audit fees	8,850	8,850	8,850
Legal and other professional costs	127,830	127,830	38,736
Trustee expenses and indemnity insurance	360	360	5,015
	<u>302,147</u>	<u>302,147</u>	<u>180,150</u>

10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2019 £	2018 £
Audit fees	8,850	8,850
Other non-audit services	4,280	3,350
Depreciation of fixed assets	<u>14,112</u>	<u>90,815</u>

11 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

£284 (2018: £493) of expenses were reimbursed to trustees during the year.

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

No trustees have received any other benefits from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	5,810,695	4,381,435
Social security costs	373,167	271,176
Pension costs	<u>227,095</u>	<u>262,182</u>
	<u>6,410,957</u>	<u>4,914,793</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

12 Staff costs (continued)

The monthly average number of persons (including senior management team) employed by the group during the year was as follows:

	2019 No	2018 No
Employees	<u>398</u>	<u>317</u>

The number of employees whose emoluments fell within the following bands was:

	2019 No	2018 No
£60,001 - £70,000	1	-
£70,001 - £80,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the group were £283,180 (2018 - £274,702).

13 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>8,850</u>	<u>8,850</u>
Other fees to auditors		
All other non-audit services	<u>4,280</u>	<u>3,350</u>

14 Taxation

The group is a registered charity and is therefore exempt from taxation.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

15 Tangible fixed assets

Group

	Leasehold and Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2018	2,693,370	303,658	69,000	3,066,028
Additions	-	3,110	-	3,110
At 31 March 2019	<u>2,693,370</u>	<u>306,768</u>	<u>69,000</u>	<u>3,069,138</u>
Depreciation				
At 1 April 2018	2,201,927	294,362	25,200	2,521,489
Charge for the year	-	3,245	10,950	14,195
At 31 March 2019	<u>2,201,927</u>	<u>297,607</u>	<u>36,150</u>	<u>2,535,684</u>
Net book value				
At 31 March 2019	<u>491,443</u>	<u>9,161</u>	<u>32,850</u>	<u>533,454</u>
At 31 March 2018	<u>491,443</u>	<u>9,296</u>	<u>43,800</u>	<u>544,539</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

15 Tangible fixed assets (continued)

Charity

	Leasehold and Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2018	2,693,370	293,968	69,000	3,056,338
Additions	-	2,239	-	2,239
At 31 March 2019	<u>2,693,370</u>	<u>296,207</u>	<u>69,000</u>	<u>3,058,577</u>
Depreciation				
At 1 April 2018	2,201,927	285,937	25,200	2,513,064
Charge for the year	-	3,162	10,950	14,112
At 31 March 2019	<u>2,201,927</u>	<u>289,099</u>	<u>36,150</u>	<u>2,527,176</u>
Net book value				
At 31 March 2019	<u>491,443</u>	<u>7,108</u>	<u>32,850</u>	<u>531,401</u>
At 31 March 2018	<u>491,443</u>	<u>8,031</u>	<u>43,800</u>	<u>543,274</u>

Revaluation

The charity's Building was impaired on 31 March 2010. A subsequent update during April 2015 did not change this impairment.

Had this class of asset been measured on a historical cost basis without the impairment, their carrying amount would have been £1,953,559 (2018 - £1,953,559).

Included in the above Land and Buildings net book value is;

Land £65,290

Leasehold buildings £nil

Freehold buildings £426,153

The trustees have considered the value of the Land and Buildings above as at the year end and have concluded that the value of these would not be lower than £491,443. They have therefore decided not to depreciate the asset any further.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

16 Fixed asset investments

Group

	2019 £	2018 £
Shares in group undertakings and participating interests	<u>10</u>	<u>-</u>

Shares in group undertakings and participating interests

	Participating interests £	Total £
Cost		
Additions	<u>10</u>	<u>10</u>
At 31 March 2019	<u>10</u>	<u>10</u>
Net book value		
At 31 March 2019	<u>10</u>	<u>10</u>

Charity

	2019 £	2018 £
Shares in group undertakings and participating interests	<u>11</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Participating interests £	Total £
Cost			
At 1 April 2018	1	-	1
Additions	<u>-</u>	<u>10</u>	<u>10</u>
At 31 March 2019	<u>1</u>	<u>10</u>	<u>11</u>
Net book value			
At 31 March 2019	<u>1</u>	<u>10</u>	<u>11</u>
At 31 March 2018	<u>1</u>	<u>-</u>	<u>1</u>

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

16 Fixed asset investments (continued)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Age UK Northumberland Trading Limited	England & Wales	Ordinary Share Capital	100%	The sale of insurance and other Age UK branded products and activities associated with a small cafe situated at the Round House.
Joint ventures				
Age UK North of Tyne & Gateshead Enterprises	England & Wales	Ordinary Capital	Share 33.3%	The collection of commissions on insurances sold to Age UK customers

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

16 Fixed asset investments (continued)

Subsidiaries

The loss for the financial period of Age UK Northumberland Trading Limited was £8,408 (2018 - £21,782) and the aggregate amount of capital and reserves at the end of the period was (£8,813) (2018 - £20,234).

Joint ventures

The profit for the financial period of Age UK North of Tyne & Gateshead Enterprises was £23,418 (2018 - (£609)) and the aggregate amount of capital and reserves at the end of the period was £12,818 (2018 - £316).

17 Stock

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Stocks	<u>137</u>	<u>137</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	303,007	702,380	303,007	702,380
Due from group undertakings	-	-	102,662	80,945
Prepayments	35,278	22,346	35,278	17,608
Accrued income	<u>90,842</u>	<u>34,318</u>	<u>90,842</u>	<u>34,318</u>
	<u>429,127</u>	<u>759,044</u>	<u>531,789</u>	<u>835,251</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Bank loans	23,650	23,221	23,650	23,221
Trade creditors	145,908	174,084	145,601	173,381
Other taxation and social security	76,545	123,942	76,545	123,942
Other creditors	403,546	347,182	403,546	347,182
Accruals	306,390	211,861	306,360	210,236
Deferred income	<u>26,346</u>	<u>107,245</u>	<u>26,346</u>	<u>107,245</u>
	<u>982,385</u>	<u>987,535</u>	<u>982,048</u>	<u>985,207</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

19 Creditors: amounts falling due within one year (continued)

Deferred income

Group

	2019 £	2018 £
Deferred income at 1 April 2018	107,245	88,486
Resources deferred in the period	26,346	107,245
Amounts released from previous periods	<u>(107,245)</u>	<u>(88,486)</u>
Deferred income at year end	<u>26,346</u>	<u>107,245</u>

Charity

	2019 £	2018 £
Deferred income at 1 April 2018	107,245	88,486
Resources deferred in the period	26,346	107,245
Amounts released from previous periods	<u>(107,245)</u>	<u>(88,486)</u>
Deferred income at year end	<u>26,346</u>	<u>107,245</u>

20 Creditors: amounts falling due after one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Bank loans	<u>246,375</u>	<u>270,296</u>	<u>246,375</u>	<u>270,296</u>

The bank loan is secured with a fixed charge over the Land on the south side of Lintonville Parkway, Ashington. The loan attracts interest at a rate of 4.5% per annum.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

21 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Other				
Within one year	3,652	3,652	3,652	3,652
Between one and five years	9,004	11,082	9,004	11,082
After five years	-	693	-	693
	<u>12,656</u>	<u>15,427</u>	<u>12,656</u>	<u>15,427</u>

22 Provisions

Group

	Pension contributions provision £	Total £
At 1 April 2018	(73,000)	(73,000)
Subsumption of Scheme by Council	<u>73,000</u>	<u>73,000</u>
At 31 March 2019	<u>-</u>	<u>-</u>

Charity

	Pension contributions provision £	Total £
At 1 April 2018	(73,000)	(73,000)
Subsumption of Scheme by Council	<u>73,000</u>	<u>73,000</u>
At 31 March 2019	<u>-</u>	<u>-</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £354 (2018 - £88).

Contributions totalling £563 (2018 - £14,856) were payable to the scheme at the end of the year and are included in creditors.

Defined benefit pension schemes

Northumberland County Council Pension Scheme (LGPS)

Age UK Northumberland was an admitted body to the Northumberland County Council Pension Fund during the preceding and current year. As from 31 March 2019 the council have subsumed the pension scheme liabilities and removed these liabilities from the charity's balance sheet. As a result the charity has no further liability to the Northumberland County Council Pension Fund. The comparative figures for the prior 2018 year end are shown for comparative purposes.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2019 £	2018 £
Fair value of scheme assets	-	4,233,000
Present value of defined benefit obligation	-	(4,306,000)
Defined benefit pension scheme deficit	-	(73,000)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2019 £
Present value at start of year	4,306,000
Subsumption of Scheme by Council	(4,306,000)
Present value at end of year	-

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2019 £
Fair value at start of year	4,233,000
Contributions by scheme participants	(4,233,000)
Fair value at end of year	-

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

23 Pension and other schemes (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2019 £	2018 £
UK Equities	-	24
Overseas equities	-	41
Government bonds	-	19
Corporate bonds	-	8
Property	-	4
Other	-	4
	<u>-</u>	<u>100</u>

Return on scheme assets

	2019 £	2018 £
Return on scheme assets	<u>-</u>	<u>168,000</u>

The pension scheme has not invested in any of the group's own financial instruments or in properties or other assets used by the group.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2019 %	2018 %
Discount rate	-	2.65
Future salary increases	-	3.80
Future pension increases	<u>-</u>	<u>2.30</u>

Post retirement mortality assumptions

	2019 Years	2018 Years
Current UK pensioners at retirement age - male	-	23.00
Current UK pensioners at retirement age - female	-	25.00
Future UK pensioners at retirement age - male	-	25.00
Future UK pensioners at retirement age - female	<u>-</u>	<u>27.00</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

24 Funds

Group

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 31 March 2019 £
Unrestricted funds				
<i>General</i>				
General Fund	1,043,333	8,193,416	(8,428,419)	808,330
Restricted funds				
CJW Blackett Holiday Fund	105,120	-	-	105,120
Keep Them Warm	12,439	-	-	12,439
Morpeth Area Committee	210	-	-	210
Alnwick Friendship Club	2,353	-	-	2,353
Home Care Fund	3,340	-	-	3,340
John Swan Charlton Fund	9,994	-	-	9,994
EL Moody Fund	5,115	-	-	5,115
Information & Advice	1,292	-	-	1,292
William Webster	2,208	-	-	2,208
Friendship Line	12,247	-	-	12,247
Health Promotion - Gym Equipment	1,326	-	-	1,326
Leslie & Lillian Manning Legacy	4,451	3,000	(3,000)	4,451
Information and Advice	16,252	40,786	(40,787)	16,251
Dunhill	-	16,279	(16,279)	-
Other grants < £2k	4,507	1,000	(1,000)	4,507
Community Foundation	-	923	(923)	-
Improving Health and Wellbeing of Older people in Rural Areas	-	9,928	-	9,928
Community Chest	-	854	(854)	-
Living With and Beyond Cancer	-	12,750	(12,750)	-
EOn	-	18,600	(18,600)	-
Masonic Charitable Trust	-	31,986	(31,986)	-
Total restricted funds	180,854	136,106	(126,179)	190,781
Total funds	1,224,187	8,329,522	(8,554,598)	999,111

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

24 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

At the end of the prior year, the trustees took the decision to remove all designations and instead show all unrestricted amounts within general unrestricted funds.

Below are details of restricted funds in place:

CJW Blackett Fund

To provide day trips and holidays for needy older people in the rural areas of the County.

Keep Them Warm Fund

To be used to help with the costs of older people keeping warm.

Morpeth Area Committee

Funds to be used for the benefit of older people in the Morpeth area.

Alnwick Friendship Club

Interest to be donated to the Alnwick Friendship Club

Home Care Fund

Donations to be used to supplement the cost of services to older people.

John Swan Charlton

A legacy left to Age UK for the benefit of older people in the Bedlington area.

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

24 Funds (continued)

E L Moody

A legacy left to Age UK for the purchase of a minibus to support older people in the Ashington and Cramlington areas.

Information and Advice

Specific donations received to supplement the costs of this service.

William Webster

To assist in the purchase of a minibus.

Friendship Line

Specific donations received to supplement the costs of this service.

Gym equipment

Donations of gym equipment for use in the Round House

Leslie & Lillian Manning

A legacy left to Age UK for the development of services

Home Care Training

Donations made by service users for training for a specific carer.

E ON

The Provision of Information & Advice to elderly individuals about the Warm Home discount scheme

Dunhill

Providing information and exercise classes to elderly individuals in the Northumberland Community

Community Foundation

Aiding the provision of the weekly social group for the elderly in and around Northumberland

Living with & Beyond Cancer

Supporting the elderly during and after a cancer diagnosis

Masonic Charitable Trust

The provision of Advocacy to elderly people affected by a long term condition

Improving Health & Wellbeing

A focus on physical acts to assist the elderly within Northumberland to improve their health & wellbeing

Community Chest

Provides weekly befriending calls to older inhabitants living within Northumberland

Chairman's Ball

Fundraising specifically to help eradicate loneliness in the elderly within Northumberland

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

25 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	533,454	-	533,454
Fixed asset investments	10	-	10
Net current assets/(liabilities)	521,241	190,781	712,022
Creditors over 1 year	(246,375)	-	(246,375)
Total net assets	<u>808,330</u>	<u>190,781</u>	<u>999,111</u>

	Unrestricted funds	Restricted funds	Total funds at 31 March 2018
	General £	£	£
Tangible fixed assets	544,539	-	544,539
Net current assets/(liabilities)	842,090	180,854	1,022,944
Creditors over 1 year	(270,296)	-	(270,296)
Provisions	(73,000)	-	(73,000)
Total net assets	<u>1,043,333</u>	<u>180,854</u>	<u>1,224,187</u>

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

26 Analysis of net funds.

Group

	At 1 April 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	1,251,298	13,845	1,265,143
Debt due within one year	(23,221)	(429)	(23,650)
Debt due after more than one year	(270,296)	23,921	(246,375)
Net debt	<u>957,781</u>	<u>37,337</u>	<u>995,118</u>

Group

	At 1 April 2017 £	Cash flow £	At 31 March 2018 £
Cash at bank and in hand	2,025,637	(774,339)	1,251,298
Debt due within one year	(22,662)	559	(23,221)
Debt due after more than one year	(293,819)	23,523	(270,296)
Net debt	<u>1,709,156</u>	<u>(750,257)</u>	<u>957,781</u>

27 Related party transactions

Group

During the year the group made the following related party transactions:

Age UK (Northumberland) Trading Limited

(The wholly owned subsidiary of Age UK Northumberland.)

During the year, Age UK (Northumberland) Trading Limited paid up gift aid amounting to £20,639 (2018 - £12,386) to Age UK Northumberland, their charitable parent.

Expenditure includes £11,286 (2018 - £7,612) relating to recharges from Age UK (Northumberland) Trading Limited.

Turnover includes £29,112 (2018 - £15,696) in relation to amount recharged to Age UK (Northumberland) Trading Limited. At the balance sheet date the amount due from Age UK (Northumberland) Trading Limited was £102,662 (2018 - £80,945).

The Board of Trustees

The members of the Board of Trustees, as subscribers, are considered to be the controlling party. At the balance sheet date the amount due to/from The Board of Trustees was £Nil (2018 - £Nil).

Age UK Northumberland

Notes to the Financial Statements for the Year Ended 31 March 2019

27 Related party transactions (continued)

Nickalls

(A trustee of the charity is a partner in Nickalls Accountants Ltd.)

An agreement was entered into with Nickalls post year end for the provision of services including the preparation of the 2019 accounting records and bookkeeping. In respect of this an amount of £17,160 has been accrued in the 2019 accounts.. At the balance sheet date the amount due to Nickalls was £17,160 (2018 - £Nil).