

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 2020



# **Age UK Northumberland**

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# **Age UK Northumberland**

## **Reference and Administrative Details**

<b>Trustees</b>	A Marsh A S Brindle S C Milliken P J Grahamslaw L Brydon (appointed 30 July 2019) R M Francis (appointed 30 July 2019) R McEvoy (appointed 5 August 2019) A A Kidd (appointed 20 February 2020) G B Hall (resigned 7 May 2020) H Moore (appointed 30 July 2019 and resigned 30 June 2020)
<b>Key Management Personnel</b>	L Webb - Head of Finance (resigned July 2019) 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) S Turner - Head of Finance (appointed February 2020)
<b>Principal Office</b>	The Round House Lintonville Parkway Ashington Northumberland NE63 9JZ  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	03639406
<b>Charity Registration Number</b>	1072394
<b>Bankers</b>	Unity Trust Bank plc 4 Brindley Place Birmingham B1 2JB  The Co-operative Bank plc 84-86 Grey Street Newcastle upon Tyne NE1 6BZ
<b>Auditor</b>	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 of the charitable company for the year ended 31 March 2020.

### **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, which as of 1 April 2020, was dormant. 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 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 show 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.

#### **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. Operationally the charity is divided into two services - Home Care, care services provided within the home, and Charitable Services, funded projects to support older people such as Information, Advice and Befriending. The Board is supported by a Sub Committee for each of these services and a Finance Committee whose members comprise of a minimum of two trustees, in addition to other advisors by invitation.

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. Each service is led by a Head of Service to whom the day to day operations of the Charity are delegated.

# **Age UK Northumberland**

## **Trustees' Report**

### ***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 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 received 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, Investors in People and appropriate regulatory bodies.

### **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

# **Age UK Northumberland**

## **Trustees' Report**

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.

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.

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

The Board took stock of our progress against this strategic plan during the 2019/20 period ensuring it met the forward demands of older People in Northumberland.

As we enter in to 2020/21 and our new three year Strategic Plan our objectives focus on the opportunities for development and widening our accessibility across the County. Seeking to eradicate unwanted loneliness and making a measurable social impact to our communities.

# **Age UK Northumberland**

## **Trustees' Report**

### **2019/20 Performance**

During 2019/20 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, , increased competition for each charitable donation, battle for talent across all our services, changes in legislation, training and quality standards.

In April 2019 we signed a new multi-year deal with Northumberland County Council to continue as a Tier 1 preferred supplier of domiciliary care for the next 4 years (with options to extend for up to a further 6 years). This secured our place as a major provider in the region.

As part of that new contract we relinquished responsibility with immediate effect for those service users for whom we had hitherto sub-contracted care to our selected partner organisations, with this care being now commissioned directly. As part of the new contractual arrangements, we also saw some minor adjustments over time with regards the overall volume of care provided with a slight decrease during the course of the year.

Across the whole of the last year our ongoing re-structuring continued to bear fruits with improvements clear on a quarter-by-quarter basis which paved the way for us to move to a break even position from the beginning of the 2020/21 financial year.

Having come along way towards completing our transition back to long term sustainable operations has put us in a much stronger position both in financial terms and in terms of the high quality services we provide. Despite the Covid Pandemic, the response to which has been foremost in our minds during this new financial year, we have seen the volume of care provided, our income stream and ability to generate a small surplus improve. We are optimistic that this will leave us well placed to emerge from the pandemic stronger than ever and in a position to be able to increase the level of support we are able to provide to our service users.

During the 2019/20 financial year we have continued restructuring our charity for long term sustainability, including the recruitment of a Head of Charitable Services (July 19), Head of Home Care (September 19) and a Head of Finance (February 20). This restructure has resulted in management's focus to drive improvement in both operational and financial performance and we can now be more confident for the future.

# **Age UK Northumberland**

## **Trustees' Report**

Investment has been needed to continue to improve and enhance our standards and levels of delivery. AUKN had the financial resources to be able to make this much needed investment decision, 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.

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 (including Ageing Well Network, MIND, Wildlife Trust, Parish Councils, Community led organisations, Corporate Businesses) 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, prior to the outbreak of the Coronavirus pandemic, were 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 previous financial 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 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. This restructure was not fully in place until well into the 2019/20 financial year however the full benefits of this has more recently been evident, in particular in the coordination and leadership of the charity's response to the Coronavirus outbreak.

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**

## **Trustees' Report**

### **Age UK Northumberland Achievement in 2019/20**

The key highlights are:

- Secured new preferred Tier 1 supplier contract for domiciliary care with Northumberland County Council in multiple areas
- Delivered 10,450 care hours per week
- Raised CQC to Good Overall and Good across all five categories
- Our Information and Advice Team had contact with 5,271 clients and worked with 1,111 to assist and support them in welfare benefits and funding applications worth in excess of £2m
- Over 500 people accessed exercise classes each week attending 38 County wide Activity Classes
- 67 People participated in our Long Term Conditions Project, helping inactive older people with long term conditions to improve their levels of Physical Activity and Mental wellbeing
- 92 People completed the 12 week Falls Prevention Programme
- 92 clients with 117 issues accessed our Advocacy team
- 80 referrals were made to our Masonic Long Term Conditions Advocacy Project
- Maintained Age UK Organisational Quality Standard
- Hosted Chairman's Annual Ball at Holiday Inn Seaton Burn
- Hosted first Burns Night Ball at Newton Hall
- Launched first Challenge fundraiser in the form of a Trek
- Maintained ISO 9001
- Continued to hold our Volunteer Awards to recognise the great contributions they provide
- Volunteers donated over 25,824 hours of support in delivering services for older people
- Continued to provide outreach lunch clubs and day services
- Our Café provided community meal and refreshments alongside Christmas celebrations lunches
- Strengthened our Corporate links within the community
- Collaborated with Community Organisations
- Recruited Head of Charitable Service, Marketing Officer and Fundraising Officer to strengthen strategic Marketing and Income generation

### ***Fundraising disclosures***

During 2019/20 the charity did 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.

### ***Use of volunteers***

During 2019/20 we worked with over 130 volunteers who took on roles from leading the organisation's trustees to providing digital support, befriending calls, information and advice and advocacy and running our lunch clubs, friendship groups and Health and Wellbeing classes across the County. In total we received over 25,000 hours' worth of support from these key personnel within our charity. Their achievement and support were celebrated in November 2019 at our annual Volunteer Thanksgiving where we awarded one of our volunteers with the Sir Donald Irvine Award recognising the many years that they had offered their time as a volunteer to our organisation.

# **Age UK Northumberland**

## **Trustees' Report**

### **Financial review**

#### **Going concern**

During the financial year to 31 March 2020 the 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 and, increased competition for each charitable donation. This was all during a period of significant change for the charity itself whilst it completed the restructure of the Senior Leadership Team. Such pressures have continued to erode unrestricted reserves that had been built up over the years.

The trend of monthly, albeit reducing, losses continued through the majority of 2019/20, as the trustees' plan of reducing costs and stabilising income took effect. There were a number of measures, implemented from April 2020 which, whilst they have taken longer to see the full effect due to the challenge of managing services during the Coronavirus pandemic, have now supported a return to a more financially sustainable position for the charity. AUKN aims to make a small surplus each year which will allow the charity to gradually replenish reserves ensuring that it is sustainable over the long term.

The charity meets its day to day working capital requirements through cash generated from operations.

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account possible changes in trading performance and the potential impact on the charity of future scenarios resulting from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

#### ***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 currently feel that the level of reserves held is not sufficient to hold long term investments however the current strategy is to hold reserves on short term deposits, managing the best possible return despite interest rates being low.

This investment policy will continue to be reviewed by the Board during 2020/21.

# **Age UK Northumberland**

## **Trustees' Report**

### ***Policy on reserves***

Age UK Northumberland's reserves amounted to £479,678 at 31 March 2020, of which £141,185 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 2020 free reserves are calculated as totalling £9,200 (2019 - £521,241).

The Trustees recognise that the free reserves at 31 March 2020 fall below their aim of holding a minimum of six months running costs should there be an interruption in any of its funding sources. The restructuring and efficiency measures that commenced in the previous two financial years were aimed at a gradual replenishment of the charity's reserves. Whilst the impact of Coronavirus, may have slowed this replenishment, robust plans are in place that aim to deliver an improvement in levels of reserves over the coming years.

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 2020 can be seen in the financial statements. Further details on the restricted funds created by donations and legacies can be found at Note 24 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.

The initial impact of the COVID 19 Pandemic impacted on service levels regarding charitable activities in its initial few weeks. A prompt review of services and repositioning to ensure our clients changing needs were met resulted in the formation of close strategic links with Northumberland CVA, NCC and multiple community organisations ensured not only did we continue to support our older people across the County we did so efficiently and responsibly within a challenging environment. At this time of challenge we pulled together to ensure we supported across the whole of the County allowing us to seek to build long term strategic relationships to ensure peoples basic needs were met whilst not moving away from our core values.

### ***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.

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 many during 2019/20. In total our team made 5271 contacts with older people on a very wide range of issues. These include state benefits - our team secured £2,051,776 in annualised benefits for older people in 2019/20 an increase of 10% year on year, in addition to finding appropriate accommodation and care services, will writing, staying warm and safe at home, social activities and falls prevention. This was all achieved whilst paid staff members decreased. The Information and Advice team benefited from the support 9 volunteers during this period.

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 ...17.12.20... 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 2020, 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 2020 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](http://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: 17/12/2022

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 2020 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>					
Donations and legacies	4	81,364	103,655	185,019	156,973
Charitable activities	5	5,965,279	6	5,965,285	8,138,334
Other trading activities	6	1,787	-	1,787	31,206
Investment income	7	1,286	-	1,286	3,009
<b>Total Income</b>		<b>6,049,716</b>	<b>103,661</b>	<b>6,153,377</b>	<b>8,329,522</b>
<b>Expenditure on:</b>					
Trading activities		-	-	-	(8,565)
Charitable activities	8	(6,573,160)	(99,650)	(6,672,810)	(8,546,033)
<b>Total Expenditure</b>		<b>(6,573,160)</b>	<b>(99,650)</b>	<b>(6,672,810)</b>	<b>(8,554,598)</b>
<b>Net (expenditure)/income</b>		<b>(523,444)</b>	<b>4,011</b>	<b>(519,433)</b>	<b>(225,076)</b>
Transfers between funds		53,607	(53,607)	-	-
<b>Net movement in funds</b>		<b>(469,837)</b>	<b>(49,596)</b>	<b>(519,433)</b>	<b>(225,076)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		808,330	190,781	999,111	1,224,187
Total funds carried forward	22	338,493	141,185	479,678	999,111

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

The funds breakdown for 2019 is shown in note 22.

## Age UK Northumberland

### Comparative 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 £
<b>Income and Endowments from:</b>				
Donations and legacies	4	20,867	136,106	156,973
Charitable activities	5	8,138,334	-	8,138,334
Other trading activities	6	31,206	-	31,206
Investment income	7	3,009	-	3,009
Total income		<u>8,193,416</u>	<u>136,106</u>	<u>8,329,522</u>
<b>Expenditure on:</b>				
Raising funds		(8,565)	-	(8,565)
Charitable activities	8	<u>(8,419,854)</u>	<u>(126,179)</u>	<u>(8,546,033)</u>
Total expenditure		<u>(8,428,419)</u>	<u>(126,179)</u>	<u>(8,554,598)</u>
Net (expenditure)/income		<u>(235,003)</u>	<u>9,927</u>	<u>(225,076)</u>
Net movement in funds		(235,003)	9,927	(225,076)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>1,043,333</u>	<u>180,854</u>	<u>1,224,187</u>
Total funds carried forward	22	<u><u>808,330</u></u>	<u><u>190,781</u></u>	<u><u>999,111</u></u>

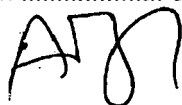
# Age UK Northumberland

(Registration number: 03639406)

## Consolidated Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	548,943	533,454
Investments		-	10
		<u>548,943</u>	<u>533,464</u>
<b>Current assets</b>			
Stocks	16	-	137
Debtors	17	344,033	429,127
Cash at bank and in hand		<u>598,260</u>	<u>1,265,143</u>
		942,293	1,694,407
<b>Creditors: Amounts falling due within one year</b>	18	<u>(791,908)</u>	<u>(982,385)</u>
<b>Net current assets</b>		<u>150,385</u>	<u>712,022</u>
<b>Total assets less current liabilities</b>		699,328	1,245,486
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(219,650)</u>	<u>(246,375)</u>
<b>Net assets</b>		<u>479,678</u>	<u>999,111</u>
<b>Funds of the group:</b>			
<b>Restricted funds</b>		141,185	190,781
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>338,493</u>	<u>808,330</u>
<b>Total funds</b>	22	<u>479,678</u>	<u>999,111</u>

The financial statements on pages 15 to 44 were approved by the trustees, and authorised for issue on 17/12/20, and signed on their behalf by:



.....  
A Marsh  
Trustee

## Age UK Northumberland

(Registration number: 03639406)  
Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	548,943	531,401
Investments		<u>1</u>	<u>11</u>
		<u>548,944</u>	<u>531,412</u>
<b>Current assets</b>			
Debtors	17	344,032	531,789
Cash at bank and in hand		<u>598,260</u>	<u>1,163,717</u>
		942,292	1,695,506
<b>Creditors: Amounts falling due within one year</b>	18	<u>(791,908)</u>	<u>(982,048)</u>
<b>Net current assets</b>		<u>150,384</u>	<u>713,458</u>
<b>Total assets less current liabilities</b>		699,328	1,244,870
<b>Creditors: Amounts falling due after more than one year</b>	19	<u>(219,650)</u>	<u>(246,375)</u>
<b>Net assets</b>		<u>479,678</u>	<u>998,495</u>
<b>Funds of the charity:</b>			
<b>Restricted funds</b>		141,185	190,781
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>338,493</u>	<u>807,714</u>
<b>Total funds</b>	22	<u>479,678</u>	<u>998,495</u>

The financial statements on pages 15 to 44 were approved by the trustees, and authorised for issue on 17/12/20 and signed on their behalf by:



.....  
A Marsh  
Trustee

## Age UK Northumberland

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(519,433)	(225,076)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		13,643	14,195
Investment income	7	(1,286)	(3,009)
Revaluation of pension scheme		-	(73,000)
		<u>(507,076)</u>	<u>(286,890)</u>
<b>Working capital adjustments</b>			
Decrease in stocks	16	137	-
Decrease in debtors	17	85,094	329,918
(Decrease)/increase in creditors	18	(170,527)	75,319
Decrease in deferred income	19	<u>(22,347)</u>	<u>(80,899)</u>
Net cash flows from operating activities		<u>(614,719)</u>	<u>37,448</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	7	1,286	3,009
Purchase of tangible fixed assets	14	(29,132)	(3,110)
Acquisition of investments in subsidiary undertakings		-	(10)
Sale of investments in associates and joint ventures		<u>10</u>	<u>-</u>
Net cash flows from investing activities		(27,836)	(111)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	18	<u>(24,328)</u>	<u>(23,492)</u>
Net (decrease)/increase in cash and cash equivalents		(666,883)	13,845
Cash and cash equivalents at 1 April		<u>1,265,143</u>	<u>1,251,298</u>
Cash and cash equivalents at 31 March		<u><u>598,260</u></u>	<u><u>1,265,143</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 2020**

#### **1 Going Concern**

The trustees acknowledge the less than satisfactory results of the charity in the financial year, which gave rise to a Net Current Asset position at the 31 March 2020 year end of £150,384 (including cash at bank of £598,260). Since the year end, the management accounts to 30 September 20 show a surplus in the 6 month period of £27,718 and an increase of £61,789 to the Net Current Asset position (including cash at bank of £846,245).

The charity's forecasts and projections for the next twelve months show that the charity should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the charity of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact. The charity has strong positive cash balances and is forecasting for this to continue to be the case. The trustees have stress tested their forecasts, taking into account various scenarios, and remain confident that the uncertainties do not cast significant doubt on the company's ability to continue as a going concern. For these reasons the trustees have continued to prepare the accounts 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 2020**

#### **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 2020.

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 £519,433 (2019- loss of £205,458).

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.

The trading subsidiary did not trade during the current year with its net assets being transferred to the parent charity. As a result the charity is preparing group accounts for the final time, after which the trading subsidiary will fall dormant.

## **Age UK Northumberland**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **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 2020**

#### **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.

##### ***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.

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 3 Accounting policies (continued)

##### 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.

The charity took advantage of the deemed cost provision on the transition to FRS102.

##### 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 2020 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).

##### 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.

## **Age UK Northumberland**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **3 Accounting policies (continued)**

##### **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.

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.

##### **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**

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 2020**

#### **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 2020

#### 4 Income from donations and legacies

	Unrestricted funds		Total 2020	Total 2019
	General £	Restricted funds £	£	£
Donations from individuals	24,285	12,661	36,946	11,828
Legacies	-	-	-	7,387
Gift aid reclaimed	4,176	-	4,176	4,163
Grants from other charities	52,903	90,994	143,897	133,595
	<u>81,364</u>	<u>103,655</u>	<u>185,019</u>	<u>156,973</u>

	2020 £	2019 £
Ballinger Charitable Trust	2,997	40,786
EON I&A Grant	37,042	18,600
Dunhill	3,539	16,279
Other	1,479	1,489
Vattenfall Wind Farm	9,928	9,928
Masonic Trust	37,916	31,986
Community Chest	3,413	854
Living With and Beyond Cancer	12,750	12,750
Joining Forces - MOD	9,755	-
Age UK National	15,000	-
TAM	10,078	-
Community Foundation	-	923
	<u>143,897</u>	<u>133,595</u>

# Age UK Northumberland

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 4 Income from donations and legacies (continued)

	2020 £	2019 £
Ballinger Charitable Trust	2,997	40,786
EON I&A Grant	37,042	18,600
Dunhill	3,539	16,279
Other	1,479	1,489
Vattenfall Wind Farm	9,928	9,928
Masonic Trust	37,916	31,986
Community Chest	3,413	854
Living With and Beyond Cancer	12,750	12,750
Joining Forces - MOD	9,755	-
Age UK National	15,000	-
TAM	10,078	-
Community Foundation	-	923
	<u>143,897</u>	<u>133,595</u>

### 5 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Charitable activities	<u>5,965,279</u>	<u>6</u>	<u>5,965,285</u>	<u>8,138,334</u>

### 6 Income from other trading activities

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Other trading income	-	-	36,206
Lotteries and competitions income	<u>1,787</u>	<u>1,787</u>	<u>(5,000)</u>
	<u>1,787</u>	<u>1,787</u>	<u>31,206</u>

### 7 Investment income

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Interest receivable on bank deposits	<u>1,286</u>	<u>1,286</u>	<u>3,009</u>

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 8 Expenditure on charitable activities

	Activity undertaken directly £	Total 2020 £	Total 2019 £
Commercial trading	-	-	8,565
Charitable activities	<u>6,672,800</u>	<u>6,672,800</u>	<u>8,546,033</u>
	<u>6,672,800</u>	<u>6,672,800</u>	<u>8,554,598</u>

£6,573,150 (2019 - £8,428,419) of the above expenditure was attributable to unrestricted funds and £99,650 (2019 - £126,179) to restricted funds.

Included in the expenditure analysed above, there are governance costs of £222,413 (2019 - £302,147) 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 2020

#### 9 Analysis of governance and support costs

##### Support costs allocated to charitable activities

	Governance costs £	Total 2020 £	Total 2019 £
Employment costs	184,781	184,781	165,107
Audit and accounting fees	9,600	9,600	18,000
Legal and other professional costs	27,956	27,956	118,680
Trustee expenses and indemnity insurance	76	76	360
	<u>222,413</u>	<u>222,413</u>	<u>302,147</u>

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Audit fees	8,000	8,000
Other non-audit services	3,000	7,000
Depreciation of fixed assets	13,643	14,112
Amortisation of goodwill	<u>-</u>	<u>55</u>

#### 11 Trustees remuneration and expenses

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

£Nil (2019: £284) 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.



## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	5,301,953	5,871,176
Social security costs	374,324	379,507
Pension costs	100,822	229,358
	<u>5,777,099</u>	<u>6,480,041</u>

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

	2020 No	2019 No
Employees	<u>335</u>	<u>398</u>

No employee received emoluments of more than £60,000 during the year.

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

	2020 No	2019 No
£60,001 - £70,000	<u>-</u>	<u>.1</u>

The total employee benefits of the key management personnel of the group were £187,934 (2019 - £283,180).

#### 13 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 2020

#### 14 Tangible fixed assets

##### Group

	Leasehold and Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2019	2,693,370	306,768	69,000	3,069,138
Additions	-	29,132	-	29,132
Disposals	-	(8,508)	-	(8,508)
At 31 March 2020	<u>2,693,370</u>	<u>327,392</u>	<u>69,000</u>	<u>3,089,762</u>
<b>Depreciation</b>				
At 1 April 2019	2,201,927	297,607	36,150	2,535,684
Charge for the year	-	6,789	6,854	13,643
Eliminated on disposals	-	(8,508)	-	(8,508)
At 31 March 2020	<u>2,201,927</u>	<u>295,888</u>	<u>43,004</u>	<u>2,540,819</u>
<b>Net book value</b>				
At 31 March 2020	<u>491,443</u>	<u>31,504</u>	<u>25,996</u>	<u>548,943</u>
At 31 March 2019	<u>491,443</u>	<u>9,161</u>	<u>32,850</u>	<u>533,454</u>

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 14 Tangible fixed assets (continued)

##### Charity

	Leasehold and Freehold Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 April 2019	2,693,370	296,207	69,000	3,058,577
Additions	-	31,185	-	31,185
At 31 March 2020	<u>2,693,370</u>	<u>327,392</u>	<u>69,000</u>	<u>3,089,762</u>
<b>Depreciation</b>				
At 1 April 2019	2,201,927	289,099	36,150	2,527,176
Charge for the year	-	6,789	6,854	13,643
At 31 March 2020	<u>2,201,927</u>	<u>295,888</u>	<u>43,004</u>	<u>2,540,819</u>
<b>Net book value</b>				
At 31 March 2020	<u>491,443</u>	<u>31,504</u>	<u>25,996</u>	<u>548,943</u>
At 31 March 2019	<u>491,443</u>	<u>7,108</u>	<u>32,850</u>	<u>531,401</u>

##### Revaluation

The charity's Building was impaired on 31 March 2010. A subsequent update during April 2015 did not change this impairment. The charity took advantage of the deemed cost provision on the transition to FRS102.

Had this class of asset been measured on a historical cost basis without the impairment, their carrying amount would have been £1,953,559 (2019 - £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 2020

#### 15 Fixed asset investments

##### Group

	2020 £	2019 £
Shares in group undertakings and participating interests	-	10

##### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 April 2019	10	10
At 31 March 2020	10	10
<b>Provision for impairment</b>		
Charge for year	10	10
At 31 March 2020	10	10
<b>Net book value</b>		
At 31 March 2020	-	-
At 31 March 2019	10	10

##### Charity

	2020 £	2019 £
Shares in group undertakings and participating interests	1	11

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 15 Fixed asset investments (continued)

##### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 April 2019	11	11
At 31 March 2020	11	11
<b>Provision for impairment</b>		
Charge for year	10	10
At 31 March 2020	10	10
<b>Net book value</b>		
At 31 March 2020	1	1
At 31 March 2019	11	11

##### 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:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
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.
<b>Joint ventures</b>				
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 2020

#### 15 Fixed asset investments (continued)

##### Subsidiaries

The profit for the financial period of Age UK Northumberland Trading Limited was £Nil (2019 - £1,022) and the aggregate amount of capital and reserves at the end of the period was £1 (2019 - £617).

During the year, the decision was made for Age UK Northumberland Trading Limited to cease trading. The accounts for the subsidiary have therefore been prepared on the break up basis.

##### Joint ventures

The profit for the financial period of Age UK North of Tyne & Gateshead Enterprises was £Nil (2019 - £23,418) and the aggregate amount of capital and reserves at the end of the period was £Nil (2019 - £12,818).

Post year end, an application has been filed with Companies House to have the joint venture entity struck off. As such, the investment in the entity has been fully impaired in the year.

#### 16 Stock

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Stocks	-	137	-	-

#### 17 Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	302,246	303,007	302,246	303,007
Due from group undertakings	-	-	(1)	102,662
Prepayments	38,303	35,278	38,303	35,278
Accrued income	-	90,842	-	90,842
Other debtors	3,484	-	3,484	-
	<u>344,033</u>	<u>429,127</u>	<u>344,032</u>	<u>531,789</u>

Included in trade debtors are bad debt provisions totalling £35,580 (2019 - £15,947).

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 18 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	26,047	23,650	26,047	23,650
Trade creditors	76,006	145,908	76,006	145,601
Other taxation and social security	109,418	76,545	109,418	76,545
Other creditors	370,727	403,546	370,727	403,546
Accruals	205,711	306,390	205,711	306,360
Deferred income	3,999	26,346	3,999	26,346
	<u>791,908</u>	<u>982,385</u>	<u>791,908</u>	<u>982,048</u>

#### Deferred income

##### Group

	2020	2019
	£	£
Deferred income at 1 April 2019	26,346	107,245
Resources deferred in the period	3,999	26,346
Amounts released from previous periods	<u>(26,346)</u>	<u>(107,245)</u>
Deferred income at year end	<u>3,999</u>	<u>26,346</u>

##### Charity

	2020	2019
	£	£
Deferred income at 1 April 2019	26,346	107,245
Resources deferred in the period	3,999	26,346
Amounts released from previous periods	<u>(26,346)</u>	<u>(107,245)</u>
Deferred income at year end	<u>3,999</u>	<u>26,346</u>

#### 19 Creditors: amounts falling due after one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	<u>219,650</u>	<u>246,375</u>	<u>219,650</u>	<u>246,375</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 2020

#### 20 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	
	2020 £	2019 £	2020 £	2019 £
<b>Other</b>				
Within one year	3,652	3,652	3,652	3,652
Between one and five years	<u>6,233</u>	<u>9,004</u>	<u>6,233</u>	<u>9,004</u>
	<u>9,885</u>	<u>12,656</u>	<u>9,885</u>	<u>12,656</u>

#### 21 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 £100,822 (2019 - £229,358).

Contributions totalling £Nil (2019 - £563) were payable to the scheme at the end of the year and are included in creditors.



## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 22 Funds

##### Group

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
<i>General</i>					
General Fund	808,330	6,049,716	(6,573,160)	53,607	338,493
<b>Restricted funds</b>					
CJW Blackett Holiday Fund	105,120	-	-	(1,189)	103,931
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	94	(6,185)	-	6,156
Health Promotion - Gym Equipment	1,326	-	-	-	1,326
Leslie & Lillian Manning Legacy	4,451	1,000	(1,000)	(4,451)	-
Information and Advice	16,251	45,075	(34,973)	(16,251)	10,102
Other grants < £2k	4,507	-	-	(4,507)	-
Improving Health and Wellbeing of Older people in Rural Areas	9,928	-	-	(9,928)	-
Living With and Beyond Cancer	-	12,750	(12,750)	-	-
Masonic Charitable Trust	-	34,987	(34,987)	-	-
Joining Forces - MoD	-	9,755	(9,755)	-	-
<b>Total restricted funds</b>	<b>190,781</b>	<b>103,661</b>	<b>(99,650)</b>	<b>(53,607)</b>	<b>141,185</b>
<b>Total funds</b>	<b>999,111</b>	<b>6,153,377</b>	<b>(6,672,810)</b>	<b>-</b>	<b>479,678</b>

## **Age UK Northumberland**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **22 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 2020**

#### **22 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

##### **E ON**

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

##### **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

##### **Joining Forces - MoD**

A grant received from the Ministry of Defence to offer aging well services to former members of the Armed Forces

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 23 Analysis of net assets between funds

##### Group

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	548,943	-	548,943
Net current assets/(liabilities)	9,200	141,185	150,385
Creditors over 1 year	(219,650)	-	(219,650)
Total net assets	<u>338,493</u>	<u>141,185</u>	<u>479,678</u>

	Unrestricted funds	Restricted funds	Total funds at 31 March 2019
	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>

## Age UK Northumberland

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 24 Analysis of net funds

##### Group

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash at bank and in hand	1,265,143	(666,883)	598,260
Debt due within one year	(23,650)	(2,397)	(26,047)
Debt due after more than one year	(246,375)	26,725	(219,650)
Net debt	<u>995,118</u>	<u>(642,555)</u>	<u>352,563</u>

##### 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>

## **Age UK Northumberland**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **25 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 £616 (2019 - £20,639) to Age UK Northumberland, their charitable parent.

Expenditure includes £Nil (2019 - £11,286) relating to recharges from Age UK (Northumberland) Trading Limited.

Turnover includes £Nil (2019 - £29,112) in relation to amount recharged to Age UK (Northumberland) Trading Limited. At the balance sheet date the amount due to/from from Age UK (Northumberland) Trading Limited was £Nil (2019 - £102,662).

##### **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 (2019 - £Nil).

##### **Nickalls**

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

An agreement was entered into with Nickalls for the provision of accounting services including the preparation of accounts and bookkeeping.

Expenditure includes £11,400 (2019: £17,160) relating to accountancy fees from Nickalls Accountants Ltd. At the balance sheet date the amount due to/from to Nickalls was £Nil (2019 - £17,160).