

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

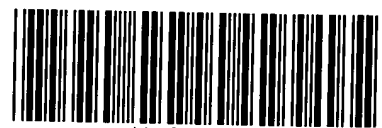
TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

Company Registration Number: 03768527

Charity Number 1086862

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**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

Directors	J Dutton D R Hodgen A P Donovan
Company secretary	P V O'Donnell
Charity number	1086862
Company number	03768527
Registered office	Lansdowne House 113 Princess Road East Leicester LE1 7LA
Auditor	RSM UK Audit LLP Rivermead House 7 Lewis Court Grove Park Enderby Leicestershire LE19 1SD
Bankers	Barclays Bank Plc Barclays House PO Box 1500 Dominus Way Meridian Business Park Leicester LE3 2RN

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2016. The financial statements have been prepared based on the accounting policies set out in note 2 to the financial statements and comply with the charity trust deed. The company is limited by guarantee and has no share capital. The guarantee of each member is limited to £1.

Legal and administrative information

Charity registered with the Charity Commission 1086862

Incorporation Incorporated in England and Wales
Company No. 03768527

Trustees

The trustees who served during the year were:

Mrs M Watts
Mr C Saul
Mr S Lindley
Mrs G Austen
Mr J Dutton (Director)
Mrs B Freestone
Mr B Greaves
Mr D R Hodgen (Director)
Mr M Lindsey
Mr P Richards
Mrs E Woodfield
Mr G Smith
Dr N Kilpatrick
Dr P Neville
Dr N Vijayakumar

Structure, governance and management

The trustees who held office during the financial year and at the date of this report are set out on page 1.

The trustees are drawn from the trustees of the charity's controlling body, Age UK Leicester Shire and Rutland Limited. On appointment new trustees are invited to attend trustee training courses and are given a structured induction and activities along with those of the holding charity company. The finance and resources committee of Age UK Leicester Shire and Rutland Limited takes special interest in the finances of the company, and in turn, reports to the main body of trustees and the Trustee Board of the parent charity.

The statutory directors of the charity are

Mr J Dutton – trustee
Mr D R Hodgen – trustee
Mr A P Donovan – executive director
Dr N Vijayakumar – doctor (appointed 24 September 2015, resigned 25 September 2015)

The charity's Chief Executive, Mr A P Donovan, is responsible for the day to day operation of the company, this responsibility is delegated to Ms Roisin Connor (Homecare and Support Services Manager), who then manages the staff on behalf of the trustees and Mr Paul O'Donnell (Finance Director) who manages financial and administrative functions.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Structure, governance and management (continued)

The company provides cleaning and personal care services to older people in the community. The clients are assessed as having a "need" as the performance of such routine tasks would cause them pain or discomfort. Most work is privately commissioned by the client's themselves, although in some cases, relatives, social services or similar will pay for the work. Cleaners and carers in the field are managed on a team basis by Co-ordinators, who are in turn supervised by the Homecare Management. A respite sitting service operates through the company, providing respite care to the elderly and infirm, and thus granting periods of relief to the clients' full time carers. This work was originally commissioned by Leicestershire County Council Social Services Department, but increasingly is being commissioned by private clients. Handyman, practical services and gardening operations provide much needed support to clients providing repairs and small home improvements, along with gardening services.

The systems of financial control are designed to provide reasonable but not absolute assurance against material misstatements or loss. They include:

- A three year strategy plan
- An annual budget approved by the executive committee (board of trustees) of the parent charity
- Regular (Monthly) monitoring of actual results against budget and forecasts.
- Strict lines of delegation of authority to managers
- Segregation of staff duties

The charity raises most of its funds through charges for its services. Donations and grants are periodically received from various funding bodies.

Risk management

All work commissioned is subject to an initial risk assessment. Nearly all appointments take place in the clients' home. Before any work is undertaken, a trained senior employee visits the premises to:

- Assess the need for the services by the prospective service recipient; and
- Carry out a risk assessment of the premises for the benefit or both carer and client

No regular schedule of appointments will commence without such assessment taking place.

The major ongoing risks are operational and are identified as those that may have a significant effect on:

- Performance of the charity to deliver its services in line with primary aims and objectives
- The charity's ability to meet the high expectations of carers and clients
- The health and safety of staff and clients

The trustees, through the management, review these risks on an ongoing basis. Systems and procedures are in place to mitigate the risks identified and where appropriate, risks are covered by insurance.

The following structures and procedures are in place to ensure potential risks are minimised:

- Monthly Home Help management meetings
- Regular supervision of carers
- Mandatory training for carers
- Monthly financial reports to Home Help Management
- A clear structure of delegated authority and control
- A robust software rostering management system maintained by independent software specialists
- Monthly billing, debt chasing and financial procedures. Direct Debit is now the default payment method
- A continuing review of key systems and procedure through internal audit arrangements

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Risk management (*continued*)

- Membership of appropriate Homecare organisations
- Annual review and planning day attended by Home Help managers and the parent charity's senior management team
- Regular reports to the parent charity's board of trustees through the finance and resources committee

Financial instruments

The company does not actively use financial instruments as part of its financial risk management and is not exposed to credit risk or cash flow risk associated with selling on credit. The nature of its financial instruments means that they are not subject to significant price risk or liquidity risk.

Objectives, activities and public benefits

Age UK Leicester Shire & Rutland Home Help Limited is a non governmental, non religious, non political organisation established in May 1999. The memorandum and articles of association which were amended on 18 December 2015, list the main objects as:

- To promote the relief of older, sick or disadvantaged people in any manner which now or hereafter may be deemed by law to be charitable in and around Leicestershire, Rutland and adjoining counties.
- To promote other Charitable benevolent and philanthropic purposes in and around the area of benefit.

The charity provides Home Help services and undertakes routine domestic tasks for elderly persons in the area for whom such tasks would cause them pain or discomfort.

The services currently provided include:

- Domestic cleaning
- Personal care services
- Shopping
- Training
- Respite services
- Handyman scheme and practical services – simple repairs and installation of disability aids
- Gardening services

The trustees are of the opinion that all the purposes of Age UK Leicester Shire & Rutland Home Help Limited are for the benefit of the public. The trustees consider that they have complied with their duties under section 3 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission.

Activities, achievements and performance

From April 2015 to March 2016, the charity carried out:

43,000	hours of cleaning appointments
8,000	hours of respite care
22,000	hours personal care and shopping
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73,000	total care hours

The average figures for the year show that 708 clients were served by 111 carers on a monthly period basis.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Activities, achievements and performance (continued)

The service has continued to operate successfully as illustrated below; although there has been a change in the emphasis of services provided and a decrease in hours of activity as shown below (Easter fell in both months illustrated):

		April 2015	March 2016	Increase/ (Decrease)
Cleaning	(hrs)	3,445	3,602	4.5%
Respite	(hrs)	915	514	(43.8%)
Personal care	(hrs)	1,956	1,675	(14.4%)
Clients	(no)	715	686	(4.0%)
Carers	(no)	115	104	(9.6%)

The charity not only provides a useful, if not essential service to many clients, it also provides a flexible form of paid employment to its carers. Secondary or indirect benefits to clients are companionship, monitoring of clients by their carers and a direct link to the many other services offered by Age UK to older people on a local and national level.

Financial review

During the year the charity raised £1,150,853 (2015 £1,176,562) through direct service provision and received £18,478 (2015 £14,071) through donations.

Operational costs were £1,212,374 (2015 £1,236,016), being the direct cost of service delivery. Fund balances carried forward at 31 March 2016 were in deficit of £189,002 (2015 deficit £145,959).

Despite a small growth in cleaning and personal care hours over the year, the scaling back of the carer respite service (operated under a contract with Leicestershire County Council) led to an overall reduction in hours of service in comparison to the previous year. The continued recession and relatively poor economic environment made the year challenging operationally. In March and April 2015 the management structure was overhauled, the incumbent manager left and was replaced by a temporary part time manager. In the last month of the year, the permanent appointment of the Homecare and Support Services Manager was confirmed.

Plans for the future

The management structure in place since March 2016 will see considerable management and cost savings to the service.

The Management review the annual plan of the charity in the autumn of each year and have identified the main objectives as being:

- To expand the service and thus make it available in all parts of Leicester, Leicestershire and Rutland, concentrating on the cleaning and low level personal care operations.
- To improve the customer experience, improving response times and customer service.
- To continue to strive to make the service financially self sustaining by increasing revenue and decreasing core costs.
- To continue to support the carers by offering good rates of pay and payment of travel time between calls, full and appropriate training, encourage the achievement of applied qualifications and to provide a career development path for those who desire it.
- To maintain a high quality, competitively priced, value for money service to the clients and funders.
- To further develop the software and associated systems to improve operational efficiencies.
- To expand the handyman, practical services and gardening operations.
- To develop further services in response to the personalisation of services agenda, concentrating on the expansion of selected personal care services.
- To continue to develop the internal management of the company to cater for the introduction of new personalised services, provider managed accounts and the management thereof.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Reserves policy

It is the trustees aim to carry sufficient free reserves in the Age UK Leicester Shire and Rutland Limited Group to cover its working capital requirements. A minimum of six months costs have been targeted at group level so that should all income streams cease, the charity group would be able to pay off all debts and commitments and continue to operate whilst services were wound down. The trustees recognise that Age UK Leicester Shire and Rutland Home Help Limited is an independent charity in its own right and is currently reliant on the holding company to underwrite its activities and to fund the deficit position in its fund balances. It is foreseen that the company will return to making an excess of income this year which will reduce the deficit. Ultimately it is planned to build up sufficient reserves to provide for six months operating costs as a standalone entity.

Going concern

The trustees review the level of reserves at the finance and resources committee on a monthly basis, through the consolidated group management accounts and the individual Home Help Company management accounts. It is recognised that to continue as a going concern, the company is reliant upon the support of the holding company. The Home Help company delivers primary purpose services on behalf of the holding company and as such the trustees of the holding company have pledged to continue to support the operations of the subsidiary entity.

Investment policy

The trustees have considered the way in which the company invests its funds and considers the most appropriate approach is for the funds to be held in bank accounts where the money is readily available.

Auditor

In accordance with the Charity's articles a resolution proposing that RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) be reappointed as auditors of the company will be put at a General Meeting.

Statement of trustees' responsibilities in relation to financial statements

The trustees (Two of whom are also directors of Age UK Leicester Shire and Rutland Home Help Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally the trustees have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in UK and Republic of Ireland (charities SORP (FRS 102)) and in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board of trustees

A P Donovan

A P Donovan – Director

Date: 18/7/16

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

We have audited the financial statements of Age UK Leicester Shire and Rutland Home Help Limited for the year ended 31 March 2016 which comprise the Statement of Financial Activities, (incorporating the Income and Expenditure Account), the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees (two of whom are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

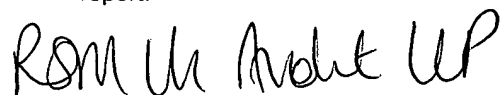
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Kelly Boorman, Senior Statutory Auditor
For and on behalf of

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Date: 23/09/16

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	31 March 2016 Unrestricted Funds £	31 March 2015 Unrestricted Funds £
Income from:			
Donations and legacies		18,478	14,071
Charitable activities		1,150,853	1,176,562
Total		<u>1,169,331</u>	<u>1,190,633</u>
Expenditure on:			
Charitable activities	4	1,212,374	1,236,016
Total		<u>1,212,374</u>	<u>1,236,016</u>
Net expenditure/movement in funds		(43,043)	(45,383)
Reconciliation of funds:			
Total fund brought forward		(145,959)	(100,576)
Total fund carried forward		<u>(189,002)</u>	<u>(145,959)</u>

All income and expenditure activities are derived from continuous activities.

There were no other recognised gains and losses for year ended 31 March 2016 or year ended 31 March 2015 other than those included in the Statement of Financial Activities.

All funds are unrestricted funds.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
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REGISTERED NUMBER: 03768527

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible fixed assets	9		18,572		11,379
Current assets					
Stock		3,207		3,901	
Debtors	10	96,591		139,218	
Cash at bank		9,234		6,388	
			<u>109,032</u>	<u>149,507</u>	
Liabilities					
Creditors: amounts falling due within one year	11	(316,606)		(306,845)	
			<u>(207,574)</u>	<u>(157,338)</u>	
Net current liabilities					
			<u>(207,574)</u>	<u>(157,338)</u>	
Total net liabilities			<u>(189,002)</u>	<u>(145,959)</u>	
The funds of the charity					
Total unrestricted funds			<u>(189,002)</u>	<u>(145,959)</u>	

These financial statements have been prepared in accordance with provisions applicable to companies subject to the Small Companies regime.

These financial statements on pages 8 to 19 were approved by the Board of Trustees and authorised for issue on 14.09.2016 and signed on their behalf by:

A P Donovan

A P Donovan
Director

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 £	2015 £
Cash flows from operating activities:			
Net cash generated from operating activities	13	15,818	8,626
Interest paid on loans	5	(2,034)	(1,851)
<i>Net cash provided by operating activities</i>		<u>13,784</u>	<u>6,775</u>
Cash flows from investing activities			
Purchase of tangible assets		(10,938)	(6,394)
<i>Net cash used in investing activities</i>		<u>(10,938)</u>	<u>(6,394)</u>
Changes in cash and cash equivalents in the reporting period		2,846	381
Cash and cash equivalents at the beginning of the reporting period		<u>6,388</u>	<u>6,007</u>
Cash and cash equivalents at the end of the reporting period		<u><u>9,234</u></u>	<u><u>6,388</u></u>

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) (Charities SORP (FRS 102)) and the FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Age UK Leicester Shire and Rutland Home Help Limited 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 note(s).

These financial statements are the first financial statements of Age UK Leicester Shire and Rutland Home Help Limited prepared in accordance with FRS 102 and the Charities SORP (FRS102). The financial statements of Age UK Leicester Shire and Rutland Home Help Limited for the year ended 31 March 2015 were prepared in accordance with previous SORP 2005 and UK GAAP.

In preparing the accounts, the trustees have considered whether some of the FRS 102 and the Charities SORP (FRS102) recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP and SORP 2005. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and the Charities SORP (FRS102).

The company's date of transition to FRS 102 and the Charities SORP (FRS102) was 1 April 2014. The company was not required to make any adjustments on transition or in the comparative period ended 31 March 2015 therefore no reconciliation of movements was required.

Going concern

The trustees have reviewed the going concern status of the company for a period of not less than twelve months from the date of signing of the financial statements. The company works closely with its ultimate parent entity, Age UK Leicester Shire and Rutland Limited, and the trustees have received assurances from the trustees of that entity that sufficient funding will be made available to Age UK Leicester Shire and Rutland Home Help Limited in order that it is able to meet its liabilities for the foreseeable future. The trustees are also not aware of any material uncertainty that will prevent the company continuing as a going concern.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies *(continued)*

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Voluntary income, including donations, gifts and legacies are recognised where there is entitlement, probable receipt and the amount can be measured reliably.
- Investment income is recognised on a receivable basis.
- Income from charitable activities is recognised as it is earned and consists of charges for the provision of home help services and routine domestic tasks for elderly persons in the area for whom such task would cause them pain or discomfort.

Funds

Unrestricted funds consist of funds which the charity may use for general purposes at the Trustees' discretion.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements.

Charitable activities costs comprise both direct expenditure incurred in delivery services in accordance with the primary objectives of the organisation, and support costs relating to these activities.

Support costs include central functions and governance costs have been allocated to activity cost categories on a basis consistent with the use of the resources.

Age UK Leicester Shire and Rutland Home Help Limited is unable to reclaim Value Added Tax (VAT) that it incurs, and as such it is included in the relevant expenditure within the statement of financial activities.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies *(continued)*

Tangible Fixed Assets

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided to write off the cost or valuation, less estimated residual values of all tangible fixed assets, over their expected useful lives. It is calculated at the following annual rates:

Fixtures and equipment	-	25% to 33% per annum of net book value
Motor vehicles	-	25% to 33% per annum of net book value

Tangible fixed assets costing under £1,000 in value are not capitalised but treated as revenue expenditure in the year of purchase.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses in the statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stock

Stocks consisting of goods purchased for resale or for the use in services provided are valued at the lower of cost and net realisable value.

At each reporting date, the charity assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a complex nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. Accounting policies *(continued)*

Debtors

Trade debtors and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors and other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash and monies on short-term deposits at the bank and other short-term liquid investments with original maturities of three months or less.

Creditors

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. Legal status of the charitable company

Age UK Leicester Shire and Rutland Home Help Limited is a charitable company (company number 03768527) and is also registered as a charity at the Charity Commission in England and Wales. The charitable company is limited by guarantee and as such has not issued share capital. The liability of its members in the event of the company being wound up is limited to a sum not exceeding £1 each. The registered office and principal place of business is Lansdowne House, 113 Princess Road East, Leicester, LE1 7LA

The charity's principal objective is to promote the relief of older, sick or disadvantaged people in any manner which now or hereafter may be deemed by now to be charitable in and around Leicestershire, Rutland and adjoining counties.

4. Details of charitable activities

	2016 Total £	2015 Total £
Home help services	1,141,430	1,145,364
Support costs	68,244	84,092
Governance costs	2,700	6,560
	<u>1,212,374</u>	<u>1,236,016</u>

The support and governance costs are allocated to activities costs categories on a basis consistent with use of the resources.

5. Group interest

Included within support costs is interest paid to group companies of £2,034 (2015: £1,851).

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

6. Analysis of staff costs and numbers	2016	2015
	£	£
Total emoluments for the year were as follows:		
Wages and salaries	841,671	859,864
Social security costs	21,602	35,425
Pension contributions	9,303	11,627
	<u>872,576</u>	<u>906,916</u>

No employee received remuneration of £60,000 per annum or more.

The average number of employees employed during the year was as follows:

	2016	2015
	No.	No.
Provision of services	121	127
Administration	2	2
	<u>123</u>	<u>129</u>

The charity employs a number of part-time employees who are included within the figures above, the average monthly number of full time equivalent employees during the year was 56 (2015 - 51).

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge of £9,303 (2015: £11,627) represents contributions payable by the charitable company to the scheme. At the year end £1,065 (2015: £1,531) was owed to the pension scheme and is included within creditors.

7. Trustees remuneration and expenses and cost of key management personnel

(a) Trustees remuneration

No trustee received any remuneration or expenses.

(b) Key management remuneration

The key management personnel of the charitable company comprise the trustees and Chief Executive, who is responsible for the day to day running of the charity together with the finance director of the parent charitable company. Both the Chief Executive and the finance director are paid through the parent charitable company Age UK Leicester Shire and Rutland.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

8. Net expenditure

This is arrived at after charging

	2016	2015
	£	£
Depreciation of tangible fixed assets		
- owned by the company	3,745	5,140
	<u> </u>	<u> </u>

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2016	2015
	£	£
Audit services – statutory audit of charitable company	1,980	1,850
Other assurance services	720	780
	<u> </u>	<u> </u>

9. Tangible fixed assets

	Motor vehicles £	Furniture & equipment £	Total £
Cost			
At 1 April 2015	9,598	23,258	32,856
Additions	10,938	-	10,938
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	20,536	23,258	43,794
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 2015	4,338	17,139	21,477
Charge for the year	1,519	2,226	3,745
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2016	5,857	19,365	25,222
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 2016	14,679	3,893	18,572
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2015	5,260	6,119	11,379
	<u> </u>	<u> </u>	<u> </u>

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

10. Debtors	2016	2015
	£	£
Trade debtors	94,793	135,464
Amounts owed by group undertakings	271	513
Other debtors and prepayments	1,527	3,241
	<u>96,591</u>	<u>139,218</u>
All amounts shown within debtors fall due for payment within one year.		
11. Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	8,600	20,680
Amounts owed to group undertakings	194,578	161,895
Social security and other taxes	5,190	6,934
Other creditors and accruals	1,569	3,287
Accruals and deferred income	106,669	114,049
	<u>316,606</u>	<u>306,845</u>
Deferred income		
		£
Balance at 1 April 2015		5,313
Amounts released to Statement of Financial Activities		(5,313)
Amount deferred in year		-
Balance at 31 March 2016		<u>-</u>
12. Financial instruments	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>95,064</u>	<u>135,977</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>311,416</u>	<u>294,598</u>

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13. Reconciliation of net expenditure to net cash flow from operating activities

	2016	2015
	£	£
Net (expenditure) for the reporting period	(43,043)	(45,383)
Adjustments for:		
Depreciation charges	3,745	5,140
Interest paid on loans	2,034	1,851
Transfer of fixed assets to parent charity	-	10,143
Decrease/ (increase) in stocks	694	(90)
Decrease in debtors	42,627	47,693
Increase/ (decrease) in creditors	9,761	(10,728)
Net cash generated from operating activities	<u>15,818</u>	<u>8,626</u>

14. Related party transactions

During the year, the charitable company paid interest amounting to £2,034 (2015: £1,851) to its parent company Age UK Leicester Shire and Rutland. At the year end, the charitable company owed Age UK Leicester Shire and Rutland £194,578 (2015: £161,895).

At the year end, the charitable company was owed £271 (2015: £513, from fellow group undertaking Age UK Leicester Shire and Rutland Insurance Services Limited).

15. Ultimate controlling party

The company is a 100% subsidiary of Age UK Leicester Shire and Rutland, a company registered in England and Wales (Company Number 07844309). The principal objective of Age UK Leicester Shire and Rutland is to promote the relief of older, sick or disadvantaged people in any manner which now or hereafter may be deemed by now to be charitable in and around Leicestershire, Rutland and adjoining counties. The trustees of this company are the same as those that are trustees of Age UK Leicester Shire and Rutland.

This is the largest and smallest group for which consolidated financial statements are prepared. Consolidated financial statements are available from the charitable company's registered office, Lansdowne House, 113 Princess Road East, Leicester, LE1 7LA. In the opinion of the trustees Age UK Leicester Shire and Rutland is the company's ultimate controlling party on the basis of the trustees are the same in both entities.