

Charity number: 1086862

Age UK Leicester Shire and Rutland Home Help Limited

Registered number: 03768527

Trustees report and financial statements

For the year ended 31 March 2019



AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

(A Company Limited by Guarantee)

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AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES
AND ADVISERS**
FOR THE YEAR ENDED 31 MARCH 2019

Directors	G F Smith D R Hodgen A P Donovan
Company secretary	P V O'Donnell
Charity registered number	1086862
Company registered number	03768527
Registered office	Lansdowne House 113 Princess Road East Leicester LE1 7LA
Independent auditor	Mazars LLP Chartered Accountants 6 Dominus Way Meridian Business Park Leicester LE19 1RP
Bankers	Barclays Bank Plc PO Box 1500 Dominus Way Meridian Business Park Leicester LE19 1RP

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2019. 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
Mrs B Freestone
Mr B Greaves
Mr D R Hodgen (Director)
Mr M Lindsey
Mr P Richards
Mr G F Smith (Director)
Dr N Kilpatrick
Dr P Neville
Dr N Vijayakumar
Mr S Hunt (Resigned 12th September 2018)
Mr D Illingworth (Resigned 12th September 2018)
Mrs L Dixon (Appointed 12th September 2018)
Mrs L Blackman-Reynolds (Appointed 12th September 2018)
Mrs J Sheppard (Appointed 12th September 2018)

Structure, governance and management

a. Constitution

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 G F Smith – trustee
Mr D R Hodgen – trustee
Mr A P Donovan – executive director

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

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.

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 to those clients that due to age, disability, or infirmity would not be able to complete such tasks on their own behalf.

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.

b. Risk management

All work commissioned is subject to an initial risk assessment. Nearly all appointments take place in the clients' home or garden. 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.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

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
- 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
- Regular meetings and consultations with other Age UK brand partners providing a similar service.

c. 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.

d. Activities for achieving objectives

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 2016, 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
- Personal assistant 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.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

a. Review of activities

From April 2018 to March 2019, the charity carried out:

36,676	hours of cleaning appointments
3,778	hours of respite care
12,407	hours personal care and shopping
<hr/>	
52,861	total care hours

The average figures for the year show that 593 clients were served by 88 carers on a monthly period basis.

		April 2018	March 2019	Increase/ (Decrease)
Cleaning	(hrs)	3,333	2,868	(465) -14.0%
Respite	(hrs)	308	303	(5) -1.6%
Personal care	(hrs)	1,055	848	(207) -19.6%
Clients	(no)	635	561	(74) -11.6%
Carers	(no)	94	90	(4) -4.3%

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.

b. Financial review

During the year the charity raised £1,065,745 (2018 £1,148,455) through direct service provision and received £Nil (2018 £93) through donations and £3,700 (2018 £121,120) through grants.

Operational costs were £1,115,263 (2018 £1,209,951), being the direct cost of service delivery. Fund balances carried forward at 31 March 2019 were deficit £26,246 (2018 19,322).

The service continues to operate at a loss and is currently reliant on financial support from the holding company charity. Margins between what is charged and direct costs have narrowed over recent years. The introduction of and the impact of the national living wage, workplace pensions and increasing employer's national insurance payments have caused the contribution towards core costs to diminish on a per hour charged basis. In addition, the overall volume of work fell significantly in comparison to the previous year.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

c. Plans for the future

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

- 1) To expand the service and thus make it available in all parts of Leicester, Leicestershire and Rutland.
- 2) To make the service financially self-sustaining.
- 3) To continue to support the carers by offering good rates of pay, full and appropriate training, encourage the achievement of applied qualifications and to provide a career development path for those who desire it.
- 4) To maintain a high quality, competitively priced, value for money service to the clients and funders.
- 5) To further develop the software and associated systems to improve operational efficiencies and to utilise technological advances in computing and mobile telephony to enhance communications with carers in the field and to improve appointment scheduling, monitoring and recording.
- 6) To expand the handyman, practical services and gardening operations.
- 7) To restructure and develop the internal management of the company to cater for changes in the volume of and types of services offered.

d. 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.

e. 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.

f. 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.

g. The impact of uncertainties due to Britain exiting the European Union

We are aware that the uncertainty currently surrounding Brexit could potentially impact our customers and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2019

Trustees' responsibilities statement

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;
- 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 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.

Disclosure of information 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.

Auditors

The auditors, Mazars LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees, on 11 / 9 / 19

and signed on their behalf by:



A P Donovan
Director

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Age UK Leicester Shire and Rutland Home Help Limited ("the charity") for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of 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 charity 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 6.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

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
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

(A Company Limited by Guarantee)

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees 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.

Opinions 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 which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

- adequate and proper accounting records have not been kept, 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

(A Company Limited by Guarantee)

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: 11.06.19

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:				
Donations	3	-	-	93
Charitable activities		1,065,995	1,065,995	1,149,135
Grant and other income		3,700	3,700	121,120
Total income		<u>1,069,695</u>	<u>1,069,695</u>	<u>1,270,348</u>
Expenditure on:				
Charitable activities		<u>1,115,263</u>	<u>1,115,263</u>	<u>1,209,951</u>
Total expenditure	4	<u>1,115,263</u>	<u>1,115,263</u>	<u>1,209,951</u>
Net movement in funds		(45,568)	(45,568)	60,397
Reconciliation of funds:				
Total funds brought forward		<u>19,322</u>	<u>19,322</u>	(41,075)
Total funds carried forward		<u>(26,246)</u>	<u>(26,246)</u>	<u>19,322</u>

All income and expenditure activities are derived from continuing activities.

There were no other recognised gains and losses for the year ended 31 March 2019 or year ended 31 March 2018 other than those included in the Statement of Financial Activities.

All funds are unrestricted funds.

The notes on pages 14 to 21 form part of these financial statements.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

Registered number: 03768527

(A Company Limited by Guarantee)**BALANCE SHEET****AS AT 31 MARCH 2019**

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	8		-		12,606
Current assets					
Stocks		3,207		3,207	
Debtors	9	111,887		121,054	
Cash at bank and in hand		1,666		5,099	
		<u>116,760</u>		<u>129,360</u>	
Creditors: Amounts falling due within one year	10	<u>(143,006)</u>		<u>(122,644)</u>	
Net current (liabilities)/assets			(26,246)		6,716
Net (liabilities)/assets			<u>(26,246)</u>		<u>19,322</u>
Charity Funds					
Unrestricted funds			(26,246)		19,322
Total (deficit)/funds			<u>(26,246)</u>		<u>19,322</u>

The financial statements were approved and authorised for issue by the Trustees on 11/9/19 and signed on their behalf, by:



A P Donovan
Director

The notes on pages 14 to 21 form part of these financial statements.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	11	(10,221)	5,310
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		7,307	-
Purchase of tangible fixed assets		-	(2,546)
Net cash provided by/(used in) investing activities		7,307	(2,546)
Cash flows from financing activities:			
Interest paid		(519)	(3,024)
Net cash used in financing activities		(519)	(3,024)
Change in cash and cash equivalents in the year		(3,433)	(260)
Cash and cash equivalents brought forward		5,099	5,359
Cash and cash equivalents carried forward	12	1,666	5,099

The notes on pages 14 to 21 form part of these financial statements.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General Information

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 and hereafter may be deemed to be charitable in and around Leicestershire, Rutland and adjoining counties.

2. Accounting Policies

2.1 Basis of preparation of financial statements

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) and the Companies Act 2006.

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.

2.2 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Voluntary income, including donations are recognised where there is entitlement, probable receipt and the amount can be reliably measured.

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 tasks would cause them pain or discomfort.

Grant income provides funding to support performance activities and is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met and the amount can be reliably measured. Income is deferred when performance related grants are received in advance of the time period or expenditure to which they relate.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting Policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 20% - 33% reducing balance

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

AGE UK LEICESTER SHIRE AND RUTLAND HOME HELP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting Policies (continued)

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Taxation

The company 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 company 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.

2.12 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.

2.13 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2018 £
Donations	-	93
	<u>-</u>	<u>93</u>

4. Details of charitable activities

	2019 £	2018 £
Home help services	1,054,391	1,139,784
Support costs	56,324	67,015
Governance costs	4,548	3,152
	<u>1,115,263</u>	<u>1,209,951</u>

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	930,291	1,007,137
Social security costs	11,908	25,038
Other pension costs	14,425	9,652
	<u>956,624</u>	<u>1,041,827</u>

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

	2019 No.	2018 No.
Provision of services	95	109
Administration	2	2
	<u>97</u>	<u>111</u>

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

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 46 (2018: 50).

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 costs charge of £14,425 (2018: £9,652) represents contributions payable by the charitable company to the pension scheme. At the year end £2,270 (2018: £1,439) was owed to the pension scheme and is included within creditors.

6. 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 remunerated through the parent charitable company Age UK Leicester Shire And Rutland Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	2,891	3,902
	<u>2,891</u>	<u>3,902</u>

Fees payable to the auditors in respect of both audit and non-audit services are as follows:

	2019 £	2018 £
Audit services - statutory audit of charitable company	2,060	2,000
Other assurance services	1,030	1,000
	<u>3,090</u>	<u>3,000</u>

8. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
Cost			
At 1 April 2018	20,536	25,804	46,340
Disposals	(20,536)	(25,804)	(46,340)
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 April 2018	12,678	21,056	33,734
Charge for the year	1,855	1,036	2,891
On disposals	(14,533)	(22,092)	(36,625)
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2018	<u>7,858</u>	<u>4,748</u>	<u>12,606</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Debtors

	2019 £	2018 £
Trade debtors	106,603	118,414
Amounts owed by group undertakings	1,761	145
Other debtors and prepayments	3,523	2,495
	<u>111,887</u>	<u>121,054</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,394	4,133
Amounts owed to group undertakings	31,397	15,754
Other taxation and social security	3,658	6,117
Other creditors	2,270	1,459
Accruals and deferred income	99,287	95,181
	<u>143,006</u>	<u>122,644</u>

There was no deferred income at the end of the current or prior year.

11. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(45,568)	60,397
Adjustment for:		
Depreciation charges	2,891	3,902
Interest paid on loans	519	3,024
Loss on the sale of fixed assets	2,408	-
Decrease in debtors	9,167	323
Increase/(decrease) in creditors	20,362	(62,336)
Net cash (used in)/provided by operating activities	<u>(10,221)</u>	<u>5,310</u>

12. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in bank	1,666	5,099
Total	<u>1,666</u>	<u>5,099</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments at amortised cost	110,030	118,559
	<u>110,030</u>	<u>118,559</u>
 Carrying amount of financial liabilities		
Measured at amortised cost	139,348	116,527
	<u>137,682</u>	<u>116,527</u>

Financial assets measured at amortised cost comprise of trade debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors, accruals and bank overdrafts.

14. Related party transactions

FRS 102 section 1A does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

15. Ultimate parent undertaking and controlling party

The Company is a 100% subsidiary of Age UK Leicester Shire and Rutland, a Company registered in England and Wales. The parent Company's registered office, Lansdowne House, 113 Princess Road East, Leicester, LE1 7LA. In the opinion of the directors, Age UK Leicester Shire and Rutland is the Company's immediate and ultimate controlling party.

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.