

Charity Registration No. 1116662

Company Registration No. 03539971 (England and Wales)



AGE UK HERTFORDSHIRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

AGE UK HERTFORDSHIRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	John Ellis Victoria Tassell Mousumi Basu (Appointed 13 November 2019) Mary Compton (Appointed 13 November 2019) Jenny Wiles (Appointed 13 November 2019)
Secretary	Jenny Wiles
Charity number	1116662
Company number	03539971
Registered Office and Principal Address	1 Silver Court Watchmead Welwyn Garden City Hertfordshire AL7 1LT
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
Bankers	Barclays Bank plc 78 Turners Hill Cheshunt Hertfordshire EN8 9BW CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET

AGE UK HERTFORDSHIRE

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TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their Trustees Annual Report (including Directors' Report) and consolidated group financial statements. For the year ended 31 March 2020.

The group financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Status, Principal Activity and Public Benefit

The Age UK Hertfordshire group includes Age UK Hertfordshire (the Charity) and a wholly owned subsidiary company Age UK Hertfordshire Trading Limited (the Trading Company).

Age UK Hertfordshire is a charitable company limited by guarantee (Charity number 1116662 and Company number 03539971, incorporated in England and Wales), governed by its Articles of Association dated April 2019, which supersede the Memorandum and Articles of Association dated 26 January 2009, its amendment by a certificate of incorporation on change of name dated 20 May 2010, and additional amendments made in December 2017 and April 2019.

The object and principal activity of Age UK Hertfordshire is 'the promotion and well-being of older people in Hertfordshire'. Age UK Hertfordshire is a Brand Partner of Age UK. By reaching the quality standards required, Age UK Hertfordshire has entered into an agreement with Age UK and is therefore permitted to use the name, and brand logo, of Age UK to promote its services.

Age UK Hertfordshire Trading Limited is a limited company (Company number 02911828, incorporated in England and Wales), whose principal activity in the year was receiving commission based payments on clothes recycling services.

Age UK Hertfordshire is a public benefit entity and the Trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit requirement when reviewing the charity's aims and objectives and planning current and future activities. The information in the Strategic Report (and Directors' Report) below outlines the activities the charity undertakes to further its purposes.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Strategic Report (and Directors' Report)

Objectives, Strategy and Future Plans

Age UK Hertfordshire is one of the largest charities providing services to older people in Hertfordshire and has a high level of recognition across the statutory authorities, voluntary sector and the public.

Age UK Hertfordshire is working to improve later life for older people in Hertfordshire today, and in future generations and has supported almost 10,000 people this year.

Our strategic plan consolidates a wide variety of feedback with over 50 years of experience working locally in the Hertfordshire ageing arena and with our National Brand Partner Age UK.

The mission of Age UK Hertfordshire is quite simply:

"To improve the lives of older people in Hertfordshire."

We will deliver this by focussing on three client-facing strategic objectives:

- *Alleviating Loneliness and Isolation*
- *Building Resilience within Communities*
- *Tackling Poverty and Inequalities*

And also through our five internal operational strategies:

- *Supporting our Staff and Volunteers*
- *Providing High Quality Services*
- *Developing our Income-Generation Capacity*
- *Digital Transformation*
- *Improving our Communication Strategy*

For 2020-21 we have also highlighted three ways of working to be of key emphasis:

- *Continuous Improvement*
- *Being Environmentally Aware*
- *Working in Partnership*

2019-20 Services to Meet Strategic Aims

Figure 1 below sets out the services that we provided in the 2019-20 financial year up until the impact of the COVID-19 pandemic, which changed our methods of service delivery from mid-March 2020.

Our face-to-face services ceased at this time, in line with government lockdown guidance and we moved services to a telephone based or electronic format to continue to support our clients.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Objectives, Strategy and Future Plans (continued)

Figure 1. Services to meet Strategic Aims

Area of Work	Services	How we meet our aims
Active Ageing	Eighteen 10 to 3 Clubs including 3 Asian Elder Day Centres Day Care Centre for the physically and mentally frail (Chalmers Court) Clitheroe Health & Wellbeing Centre	We run a range of clubs/activities to help older people feel connected with their community, stay active and reduce social isolation by providing social activities, physical exercise and nutritious meals.
Befriending	Visiting Scheme Telephone Clubs	Provision of regular face-to-face and telephone social contact, to help combat loneliness and social isolation.
Emotional Support	InTouch	A service offering a higher level of emotional support over the phone.
Information and Advice	Information and Advice Warm and Well Later Life Goals	A telephone and community support service offering Information & Advice to older people. Including advice on benefit entitlements, LPAs, energy costs and Blue Badges. A project particularly focused on energy costs and energy efficiency Later Life Goals focuses on the above, but visiting older people in their homes focusing on reducing loneliness and isolation
Dementia Services	Hertwise	Working in partnership with eight other voluntary sector organisations to provide support for people with Dementia, Mild Cognitive Impairment and memory loss, along with their carers and families.
Health Related Services	Hospital & Community Navigation Service (HCNS) Link Workers (HCNS) Nutrition & Dietetics Service	Working in partnership with six other voluntary sector organisations to provide support services for those discharged from hospital, those identified by their GPs and others as being vulnerable people in need of support to achieve independence and well-being. Link Workers work from GP surgeries as part of the Social Prescribing agenda. They work closely with staff from HCNS to link people to the 'social prescriptions' Working with the Hertfordshire Community Trust and working with the Community Nutrition and Dietetics team supporting people who have social causes for malnutrition ensuring that they get the support they need to stay independent in the community.
Income Generation	Help in The Home	A cleaning and domestic tasks service which enables people to remain independent in their homes by supporting them with daily activities.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Objectives, Strategy and Future Plans (continued)

Age UK Hertfordshire delivers services which also meet the priorities of:

- The Hertfordshire Health and Well-Being Board's Health and Well-Being Strategy 2016-20
- The Care Act 2014, including the need to support carers
- The Hertfordshire JSNA for Older People
- Hertfordshire County Council's (HCC) Adult Care Services Three-Year Plan 2018-21

Age UK Hertfordshire is committed to its responsibilities of being a Brand Partner of Age UK by adhering to the Charity Quality Standard (CQS), which we were awarded in June 2018. The organisation also holds the Advice Quality Standard (AQS) for its Information & Advice Service, awarded in October 2017. Both awards are valid for three years, and we are currently preparing for the AQS re-assessment, due October 2020

Age UK Hertfordshire continuously monitors and measures key performance indicators to ensure that objectives and plans are being delivered effectively. The majority of our KPIs are set within the contracts we hold. Summary outputs of these measures are included in the relevant sections below.

Plans for Future Periods

Whilst only a few weeks of the 2019-20 financial year were affected by the CV-19 pandemic, its effects will be felt for a long-time into the future, and has already disrupted timelines of our anticipated plans and strategies for 2020-21, thus impacting on future periods as well. At this point in time it is impossible to predict a timeline for the resumption of 'normal' services, or what services will look like in the short, medium and long-term.

All our HCC contracts continued into 2020-21, offering a welcome element of stability. However, the Community Day Services are expected to be re-commissioned during this year. We are reviewing our Day Services to prepare for this, as well as incorporating changes brought about by the pandemic, with potential long-term changes to the way these services will be delivered going forward, .

We will continue to raise awareness of our services, with a 6-week advertising campaign on Heart FM (radio station) over the Christmas period, which will provide a focus on our Help in the Home service and the wider services we offer utilising the ... 'Here if you need us...' concept to increase awareness of the services we offer.

During 2019-20, we closed down offices in Cheshunt and Watford, re-locating staff to the Clitheroe Centre in South Oxhey or encouraging staff to work from home. We will continue to review our premises infrastructure, in order to streamline organisational costs for maximum efficiency.

The pandemic has also impacted on our Digital Strategy. We are working as part of a partnership project with Age UK National and other Brand Partners, which has seen some delays. While we continue to work with this group, we are also examining alternative options, in order that we make full use of digital tools to increase efficiency and support continuous improvement, particularly in response to new ways of working brought upon us by lockdown and the need to work remotely. In line with emphasising our environmental awareness we will also start to move toward a paperless office.

As well as seeking internal efficiencies, we will also seek to generate additional income by expanding our income generation activities, to bring in much needed unrestricted funds to help sustain our charitable work. Care will be taken to ensure that these services offer Best Value for our clients, both financially and operationally.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

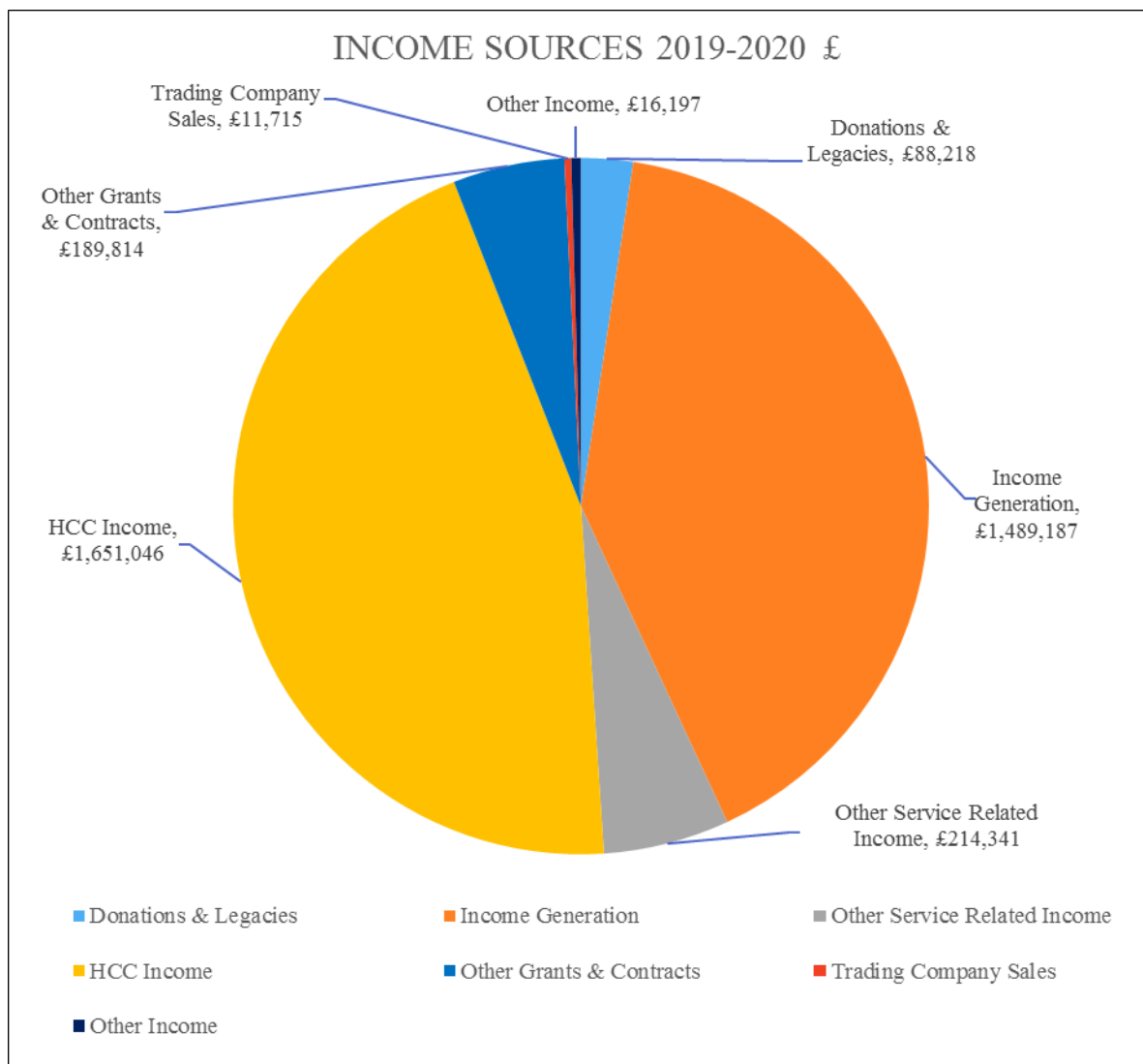
FOR THE YEAR ENDED 31 MARCH 2020

Income Generation and Performance

Income

In 2019-20, Age UK Hertfordshire generated income of £3,660,518 from a range of sources, as shown in Figure 2 below.

Figure 2: Income Sources



The majority of income generated (per Figure 2) is specifically aligned to the delivery of individual services. Fundraising is included within 'Other income' in Figure 2.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Income Generation and Performance (continued)

Performance of Charitable Services

Age UK Hertfordshire has continued to provide a wide range of services to older people in the county throughout 2019-20. Figure 3 summarises the scale of services provided in comparison to the previous two years.

Figure 3: Measures of Services Provided

Area of Work	Service Provided	Measure	2017-18	2018-19	2019-20
Active Ageing	10-3 Clubs	People attending weekly	293	296	269
	Dementia Day Centre	People attending weekly	37	45	38
	Clitheroe	People attending weekly	120	102	119
Befriending	Visiting Scheme	People visited each week	409	410	412
	Telephone Club	People telephoned each week	200	180	154
Emotional Support	InTouch	People supported (annually)	1,812	2,949	2,618
Information and Advice	Information and Advice	People supported (annually)	3,456	4,788	5,588
Dementia Services	Hertswise	People supported (annually)	3,200	4,760	3,366
Health Related Services	Hospital & Community Navigation Service	People supported (annually)	3,523	5,057	4,870
Income Generation	Help in the Home	Hours of support delivered	91,000	90,700	84,942

Active Ageing

There are eighteen 10 to 3 Clubs across Hertfordshire most of which meet in the communal lounges of sheltered housing schemes. Each club provides transport for those who need it, a nutritious meal, socialisation, physical exercise, mental stimulation and digital inclusion.

Chalmers Court Dementia Day Centre provides care and support for users who have some form of dementia through person centred daily activities designed to improve wellbeing.

Clitheroe Health and Wellbeing Centre is run in partnership with Sanctuary Housing and is open five days a week with a range of activities and sessions. We run our popular Men in Sheds project from this setting, which provides opportunities for older gentlemen to take part in activities they enjoy, which helps improve the gender balance at the day centres.

Befriending

Age UK Hertfordshire offers a countywide Visiting Scheme and Telephone Club which enables older people living on their own, to have links to the outside world. It relies upon our very dedicated volunteers, without whom we could not offer the service. During 2019-20 over 500 dedicated volunteers provided weekly visits or phone calls, to older people who feel isolated or alone, which helps to reduce admissions to care homes, by helping people retain their social skills and independence.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Income Generation and Performance (continued)

Emotional Support

InTouch provides a vital telephone support service which helps people aged over 50 with a range of health and wellbeing needs such as those who have had life changing experiences e.g. serious illness or bereavement. This support can act as a life line for many people who need someone to listen and talk in a confidential and impartial way.

Performance of Charitable Services

Information and Advice

A comprehensive, county-wide Information and Advice Service operates across Hertfordshire, primarily through a local rate telephone line, but offering follow-up home visits where appropriate. In addition to the activity shown in Figure 3, £7.2 million of unclaimed benefits was obtained for the older people of the county in 2019-20. This is money that not only supported vulnerable older people in our local communities, but also supported the wider Hertfordshire economy.

In 2019-20, one of the Information and Advice projects ended: 'Warm and Well' supporting older people to save energy and be prepared for winter. The service still continued to deliver the 'Later Life Goals' project and the Hertswise CIN service.

Our Partnership Work

Hertswise Dementia Services

Age UK Hertfordshire is the lead body of the Hertswise project, a partnership with eight other local voluntary sector organisations, supporting people living with dementia, low level memory loss or mild cognitive impairment; as well as their families and their Carers. The project aims to ensure that people of all ages, living with dementia in Hertfordshire, are able to access information, advice, activities and support. During 2019-20 the project continued to go from strength to strength, with the vast majority exceeding expectation.

Health Related Services

Hospital and Community Navigation Service

We are one of seven partners delivering the Hospital and Community Navigation Service (HCNS), which offers a comprehensive package of support for vulnerable people identified by GPs, Social Worker or self-referrals, as well as those discharged from hospital, including from Accident and Emergency and Urgent Care departments or intermediate care. It includes support for people at risk of re-admission and delivers a smooth transition from short-term intervention into mainstream activities that maintain longer-term well-being and independence. This is a county-wide support service for people needing help through social prescribing and practical support to help avoid admission and readmission to hospital and reduce dependence on primary care.

In 2019-20 we commenced a new element of our partnership working with HCNS, by working with GP Surgeries in North Herts and employed our first Link Worker. This work is part of the Social Prescribing agenda, supporting people's unmet needs, with the aim of reducing the number of visits to GP surgeries for non-medical issues.

Nutrition and Dietetics Support

In 2019-20 our partnership with the Hertfordshire Community Trust, on the Nutrition and Dietetics Service, where we work with the team of dietitians to support patients who have a social cause for their malnutrition i.e. low income, loneliness, lack of social support etc.

Income Generation

Help in the Home is a paid-for service that provides cleaning, domestic tasks and support for activities such as shopping, and it is available across the county. During 2019-20, it provided support to over 84,000 hours of domestic support for older people across Hertfordshire, helping them to maintain their independence, by being able to live in their own homes.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Income Generation and Performance (continued)

Community Engagement Team

The Community Engagement Team (CET) have worked on the re-branding of Age UK Hertfordshire promotional and marketing materials for 2019 onwards. The team have been pioneering new ways to reach communities, to ensure our messages are seen by a wide range of people, across the generations, and our intergenerational work has continued

Our social media presence grew considerably, with a digital reach of over 150,000 on Twitter alone.

In line with the Digital Strategy the Volunteer Management System was reviewed and process developments introduced.

Members of the team were also involved in the 'Tea & Tech' sessions with our partner Quantum Care, sharing digital knowledge and expertise with the residents of their homes.

We worked with student film-makers to make our first series of promotional videos.

We were the chosen charity for the annual 'Rock at the Castle' event, which raised funds as well as our profile.

Relationships with local businesses have been developed, as well as with the Chamber of Commerce, all have been very supportive of the Charity, donating prizes, fundraising or giving their venues for free to hold events which has been invaluable.

Fundraising

As an organisation we do not carry out street collections, or engage in telephone fundraising. Our approach is to invest in local staffing resources (a fundraising officer, working as part of our Community Engagement Team) who is responsible for local community fundraising and working with the local organisations who support us. We do not employ the services of external professional fundraisers.

Since 2018-19 we have been working with a commercial participator Clothes Aid (Services) Limited (Clothes Aid), through a tripartite agreement in conjunction with our Trading subsidiary, Age UK Hertfordshire Trading Ltd. We monitor this arrangement and the fundraising activity carried out by Clothes Aid through regular Trading subsidiary governance meetings and also meetings with Clothes Aid and their collections representatives.

Since June 2018 the charity has been registered with the Fundraising Regulator and is committed to following the Code of Fundraising Practice and the Fundraising Promise. We publish clear information about our complaints procedure on our website, which members of the public can access.

In 2019-20 the charity did not receive any complaints about the fundraising activities carried out by the charity itself. However, six complaints were received by the charity about the fundraising activities carried out via the commercial participator agreement. Each of these complaints were individually reviewed by the charity and Clothes Aid. Both organisations worked together to resolve these complaints to each of the complainants satisfaction and Clothes Aid's internal procedures and training were reviewed to ensure ongoing fundraising practices meet required standards.

To ensure that we do not carry out any fundraising which involves unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to give money or other property we ensure all staff and volunteers involved in fundraising are trained and inducted to carry out the charity's fundraising activities in line with the Fundraising Promise.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Income Generation and Performance (continued)

Volunteers

The work of Age UK Hertfordshire and its partners would not be possible without the contribution of volunteers working across all projects and all geographical areas.

For the service delivery teams (particularly the Visiting Scheme, where the majority of our volunteers provide their time and support), the resource provided by volunteers is critical to the overall service delivery. It would not be possible for Age UK Hertfordshire to offer its range of services on the same scale, if at all, without volunteer support.

In 2019-20 Age UK Hertfordshire's dedicated and committed volunteers provided nearly 84,000 hours of support, which, at a Social Value ** of £828,066 would equate to an increase of 34% on our salary/wage bill, if they were employed.

** It should be noted here that the algorithm used to calculate Social Value in this document is based on the National Living Wage. While this is useful as a base measure, we recognise that the actual value of our Volunteers is considerably higher.

Figure 4 shows the many hours of volunteer support provided, analysed by support area.

Figure 4: Volunteer Support

Volunteer Support		
Support Area	Number of hours	Value (£)
Active Ageing	17,640	174,636
Befriending and Emotional Support (Visiting Scheme & In Touch)	61,348	607,345
Information & Advice	4,410	43,659
Trustees	245	2,426
Total	83,643	828,066

All volunteers joining Age UK Hertfordshire go through a structured recruitment process, followed by a thorough induction and appropriate training for their role.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Financial Summary	2018-19	2019-20
	£	£
Income	3,903,369	3,660,518
Expenditure	<u>(3,549,714)</u>	<u>(3,622,966)</u>
Net Income / Expenditure	<u>353,655</u>	<u>37,552</u>
Reserves	£	£
Restricted	209,235	161,561
Unrestricted - Designated	998,853	990,819
Unrestricted - General	<u>339,935</u>	<u>433,195</u>
Total Reserves	<u>1,548,023</u>	<u>1,585,575</u>

The Board of Trustees approved a budgeted operating deficit of £196,033 for the year ending 31 March 2020, which included expenditure on restricted funds carried forward of £38,637 and agreed funding from reserves for projects of £109,659, as well as to invest in additional staffing resources for income generation and community engagement.

In 2019-20 the organisation is reporting a surplus of £37,552 (2019 £353,655 surplus), which is £233,585 better than the approved budgeted operating deficit. This was as a result of both higher than budget income and lower than budget costs in the year. Unbudgeted legacy income of £44,865 contributed to this improved financial position.

In the year to 31 March 2020 Age UK Hertfordshire's total incoming resources amounted to £3,660,518 (2019 £3,903,369). Income from charitable activities increased slightly by £44,833 to £3,541,418 (2019 £3,496,585). This increase relates to a £93,342 increase in performance related grants and service level agreements (predominantly due to a full year impact of new 2018-19 projects) and £45,539 decreased income from fees and activities.

Donations and legacies decreased by £299,632 on the previous year to £88,218 (2019, £387,850). This includes legacies of £44,865, which is significantly lower than the £361,406 of legacies generously left to Age UK Hertfordshire in the 2018-19 financial year.

The Trading subsidiary income increased to £11,715 (2019 £5,329). The increase in income is as a result of additional commissions received via the commercial participation arrangement with Clothes Aid (Services) Limited.

Investment income increased marginally to £8,513 (2019 £6,049) but interest rates received remain low due to the current economic climate.

Total resources expended amounted to £3,622,966 (2019 £3,549,714). The overall increase in costs of £73,252 is due to an increase in both the cost of charitable activities (£55,888) and raising funds (£17,364). The increased cost of raising funds is due to the full year impact of the investment in additional staffing resources for the newly formed Community Engagement Team.

The increase in charitable activities includes additional staffing costs due to the increase in the National Living Wage and an organisational wide staff pay increase (the first for several years).

Further information on the staffing and other costs incurred in the year are set out in notes 6, 7, 8 and 9 of the financial statements.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review (continued)

Reserves

During the 2018-19 financial year the Board of Trustees reviewed and updated the organisation's previous Reserves Policy and considered both the main risks to the organisation and the amount, and type, of reserves needed to support the variety of services it delivers, as well as their various working capital requirements.

Based on the findings of this review the Trustees deemed that a standard 'one size fits all' approach to calculating reserves (e.g. X months of total organisational annual expenditure) is not the most appropriate method for calculating the level of unrestricted reserves required by Age UK Hertfordshire. They considered that a multi-layered approach, with some specific designated funds, as well as some unrestricted reserves held as general funds, is more appropriate.

Therefore the Trustees established and approved an updated Reserves Policy that considers and quantifies the types and monetary values of funds required by the organisation. The aim of the policy is to ensure that sufficient and appropriate designated and general reserves are available to meet the organisation's needs in terms of working capital, future development, committed expenditure and statutory obligations. The policy also ensures that any unspent restricted funding remaining at the year-end is ring-fenced in a separate restricted fund (as this must be returned to funders if not used for the activities outlined in the funding agreement).

The Board of Trustees continue to review the organisation's need for reserves as a result of the changes that have occurred since the year end due to COVID-19 and consider that their current Reserves Policy remains relevant and applicable at this time.

At 31 March 2020 Age UK Hertfordshire's total reserves amounted to £1,585,575 (2019 £1,548,023) with total unrestricted funds of £1,424,015 (2019 £1,338,788). More details on the types of funds held are set out below.

Restricted Funds

Restricted funds include unspent grant and contract income that can only be used on specific activities (in line with the requirements set out in funding agreements) and therefore has been ring-fenced separately in the accounts. These funds will be utilised in future periods and include amounts ring-fenced specifically for the Hertswise Dementia project, Health Related Services projects and an Information & Advice project. £161,560 of reserves are held as restricted funds as at 31 March 2020 (2019 £209,235) as shown in notes 15 and 17 of the financial statements.

Unrestricted Designated Funds

In line with the revised Reserves Policy operational and strategic funds have been designated to support the organisation's strategy, operational needs and working capital requirements.

The designated strategic and operational funds at the year-end include:

- IT Development Fund (for the replacement of IT hardware, IT infrastructure and the development of organisational software and database systems under the organisation's digital strategy),
- Project Development Fund (for project continuation, matched funding and the development of new projects),
- Staffing Commitments Fund (in relation to anticipated future staffing commitments),
- Building Dilapidations Fund (for reinstatement of premises at the end of current leases).
- Working Capital Fund (to meet the working capital requirements of the organisation and two key projects, Hertswise and Help in the Home).

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review (continued)

Reserves

Total unrestricted designated funds at 31 March 2020 are £990,819 (2018 £988,853), which is a slight increase of £1,966. The main changes in these funds are discussed below. (The balance held in each designated strategic and operational fund is shown in note 16 of the financial statements).

Unrestricted Designated Funds (continued)

Total unrestricted designated funds at 31 March 2020 are £990,819 (2018 £988,853), which is a slight increase of £1,966. The main changes in these funds are discussed below. (The balance held in each designated strategic and operational fund is shown in note 16 of the financial statements).

The organisation's Digital Strategy work is ongoing and the initial review stage to understand the needs of the organisation, its workforce and clients is underway. The impact of COVID-19 has put on hold some of the original plans and also highlighted additional requirements to include in this strategic work. As a result an additional £25,000 of funds have been designated in the IT Development fund to continue this work in 2020-21 and 2021-22.

Two of the organisation's leases ended in the year and the balance on the Building Dilapidations fund reflects the remaining reinstatement commitments at 31 March 2020.

Some of the funds designated within the Project Development Fund has been utilised in the year to support existing services for older people in Hertfordshire including the shortfall in funding for the organisation's county-wide Information and Advice service and the Clitheroe Health and Wellbeing Centre. Additional amounts have been designated to mitigate the risks of future funding given the current economic situation and the impact of COVID-19 and also to specifically support the shortfall in funding for the organisation's county-wide Information and Advice service for 2020-21.

Unrestricted General Funds

The organisation's revised Reserves Policy states that an amount of unrestricted reserves should also be held to cover the general working capital needs of the organisation and to cover ongoing regular expenditure. As cash-flow requirements vary, depending on the number of current projects and payment processing timetables, a target range of unrestricted general funds is considered appropriate to ensure sufficient finances for the future.

The organisation's revised Reserves Policy is to hold between 1 to 3 months of 'Organisational Expenditure' as unrestricted general funds.

'Organisational Expenditure' is defined as follows:

*Total organisational annual expenditure * less restricted and designated fund expenditure*

** This is based on the current (or following) financial year's budgeted expenditure*

A month of 'Organisational Expenditure' is calculated by dividing the result above by 12.

The balance of the organisation's reserves (after allocations to restricted and unrestricted designated funds) are held as unrestricted general funds. As at 31 March 2020 this amounts to £433,196 (2019 £339,935) and is shown in note 16 of the financial statements. This equates to 2.20 months of 'Organisational Expenditure', which is in line with the organisation's Reserves Policy.

Also included in general unrestricted funds (due to their low value) are the organisation's fixed assets, which amount to £17,480 (2019 £13,309). These amounts can only be accessed by disposal of the fixed assets and as such are not readily available for use by the trustees. If the value of fixed assets were to increase significantly a specific designated fund would be created to match the value of the assets to ring-fence these funds.

The subsidiary trading company's reserves of £7,938 (2019 £7,938) are also included in general unrestricted funds.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review (continued)

Reserves

Total Reserve Levels

By reviewing and updating the organisation's Reserves Policy the Board of Trustees has examined the risks to and the level of reserves required by the Charity to continue to deliver services to benefit the older people of Hertfordshire.

In the Trustees' view the level of reserves held at 31 March 2020 provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

Principal funding sources

Age UK Hertfordshire is very grateful to the following as the principal sources of funding to enable the charity to carry out its objectives:

- Hertfordshire County Council
- Hertfordshire Clinical Commissioning Groups
- Hertfordshire Community NHS Trust
- Broxbourne Borough Council
- North Herts District Council
- Age UK (National)
- Hertfordshire Care Providers Association
- Hertfordshire Community Foundation
- Letchworth Heritage Foundation
- Sanctuary Housing
- Tesco in conjunction with Groundworks
- Santander

In addition, we are grateful to the clients that use our paid-for services; for the kind and generous donations from individuals and organisations and for those who remember us in their wills. Donations and legacy income are VITAL to help us to continue to support the older people of Hertfordshire.

Pension Liabilities

Age UK Hertfordshire operates a multi-employer defined contribution pension plan with The Pension Trust's (TPT) Growth Plan Series 4, with all employees eligible to join the scheme under auto enrolment legislation. Contribution levels of between 3% and 6% were paid by the charity in 2019-20 and these rates will continue for future financial periods and increase in line with any legislative requirements.

Series 1, 2 and 3 of the Plan are classed as defined benefit pension plans and are closed to new entrants and future accruals for existing employees. The organisation is currently making deficit contributions to Series 1 and 2 of the Growth Plan (Defined Benefit Schemes) under an arrangement with TPT that will continue until January 2025. The deficit contributions for 2019-20 were £4,353 (2018-19 £3,635) and are expected to be £4,484 for 2020-21.

The latest valuation of the scheme has revealed a shortfall of assets compared with the value of liabilities, the share attributed to Age UK Hertfordshire is £89,414 (2019 £93,810). This would only be payable if Age UK Hertfordshire had no contributing members in the scheme. The Trustees have no plans to withdraw from the scheme at the current time.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review (continued)

Trading Subsidiary

From 1 April 2018 the focus of the Trading Subsidiary changed substantially, due to the cessation of its insurance commission activity with Age UK Enterprises Limited on 31st March 2018.

The Trading subsidiary now receives commissions from a commercial participation agreement with Clothes Aid (Services) Limited to raise funds for the charity.

During the year 2019-20 the Trading subsidiary made a profit after costs of £8,968 (2019: £2,285) which was distributed to the charity as a donation under a Deed of Covenant dated March 2020.

Investment Policy

Under the Articles of Association, the trustees have the power "to set aside funds for special purposes or as reserves against future expenditure" and "to deposit or invest funds in any manner (but to invest only after obtaining advice from a Financial Expert, unless the Charity Trustees reasonably conclude that in all the circumstances it is unnecessary or inappropriate to do so, and having regard to the suitability of investments and the need for diversification)".

All of the charity's funds relate to current projects or those most likely to be commenced in the near future. It would therefore be inappropriate to commit funds to longer term equity based investments and the risk inherent in them. The Trustees have therefore resolved to continue holding funds in deposit accounts and to restrict these to sterling denominated accounts to avoid exchange risks.

Funds are currently held in the Charity Office of Investment Funds Deposit Account and Barclays Bank Business Premium Account. The investment situation is reviewed regularly in line with the organisation's operational and strategic working capital requirements, the organisational strategy and Reserves Policy. The use of another deposit holder would require the authorisation of the Trustees. The Trustees are satisfied with the performance of these funds in the current economic climate.

Risk Management

Prior to November 2019, the Board had a Finance, Remuneration & Audit Committee and a Quality & Performance Committee, which fed back to the Board quarterly. Since that date, committees have been removed, and all Trustees are expected to attend all meetings, where, in accordance with a governance planner, the Board review the relevant aspects of the charity's risks and the full risk register is reviewed quarterly.

The organisation has a range of policies and procedures, covering all aspects of the management of the organisation, to minimise risk. The Trustees have reviewed internal controls over financial, health and safety and operating systems and believe that they are sufficient to minimise significant risks. All the charity's operating systems and policies are reviewed on a regular basis. The level and scope of the charity's insurance cover is reviewed each year before renewal.

The Trustees are confident that the present obligations of the charity can be met from the resources held and that the financial position of the charity is sufficiently robust at the current time. A strategic review has shown that the loss of any individual income stream would not place the charity at immediate risk; reserves are sufficient to allow a timely withdrawal whilst minimising hardship to clients.

However, the changing landscape due to COVID-19 is not to be underestimated and the Trustees are carefully and regularly monitoring the ongoing risks to the organisation, its services and its financial position via the risk register, operational reviews and financial forecasting. Future plans are being modified as necessary to mitigate against these risks.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review (continued)

Impact of COVID-19

The impact of COVID-19 from mid – March and throughout the lockdown period has affected the charity in many ways and all face to face services ceased almost overnight. Unsurprisingly this had a major impact on our clients and their families and also on our staff and volunteers. Throughout this time we have been amazed at, and proud of, the response of everyone to adapting to these new and difficult circumstances to continue to support older people across Hertfordshire.

Impact on Service Delivery – COVID-19 has changed the way we work with our clients, services have now moved to a telephone or electronic format to ensure no-one feels isolated and alone. Food parcels, activity and comfort packs have been delivered to those needing them, especially at the beginning of the pandemic when many clients were on lockdown and had no access to cash, or online services.

Office-based staff have changed the way they worked too using systems and equipment to enable working from home. Staff adapted well to the transition, ensuring the business could continue to operate a full service.

Where face-to-face services have resumed, virus control measures and precautions have been taken, in line with government guidelines. Higher level of Personal Protective Equipment has been implemented to protect staff as well as clients. We anticipate that these measures will be in place for some time to come and have adapted and updated our operational procedures and training to incorporate these.

Impact on Financial Position - Regular reviews of the current and forecasted future financial position are being undertaken by the Senior Management Team and reported and reviewed by the Board as part of the organisation's governance structure. These include reviews of levels of Restricted and Unrestricted Reserves and the designations in place for plans for future periods.

Income from our paid-for service Help in the Home has been severely impacted as the service was suspended during lockdown. However, the service has now been re-commenced and is now operating under revised procedures and with additional PPE in place.

Impact on Strategic Plans – Many of our plans have been delayed as our focus has been on ensuring client safety and well-being. Plans will also be reviewed in light of the 'new normal' for AUKH, our clients and the wider economy.

Going Concern

COVID-19 will, without doubt, have a negative financial impact on the charity during 2020-21 as the 'paid-for' services we rely on have been hit by the lockdown measures and we will incur unanticipated additional costs due to the levels of PPE needed to resume services. However the Board along, with the Executive, are reviewing our strategies in light of the 'new normal' and carefully monitoring the organisation's financial position.

At the year end the Trustees consider that the charity has adequate reserves to continue to develop and provide services during this period of uncertainty and change, and also for the foreseeable future. The financial statements have therefore been prepared on the basis that the charity is a going concern, as described in the statement of accounting policies.

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Legal and Administrative Information

Board of Trustees

The Board of Trustees consists of

- a. The Chair of the charity
- b. Four or more other persons elected by the charity's members at the Annual General Meeting, , though the Board may function with two other persons for a period not exceeding six months if necessary.
- c. Any persons joining the Board throughout the year may be co-opted by the board, with voting rights, and may be elected onto the Board at the next Annual General Meeting.

Charity Trustees, once appointed at an AGM, shall hold office for an initial term of two years and may be reappointed for up to two further terms of three years each. Trustees will confirm they wish to continue in the role on an annual basis, at the AGM.

New Trustees are recruited via external recruitment campaigns, which include advertising on the organisation's website, using social media and using third party recruitment sites. A two stage interview process is carried out by the Board and includes candidates' observation of at least one Trustee meeting.

The organisation has a Volunteers Policy and inducts all new volunteers into the organisation. In addition, new Trustees are given suitable training and a more detailed induction to the organisation and its services to enable them to fulfil their voluntary role.

None of our trustees receive any remuneration for their role but are entitled to claim reimbursement for out of pocket expenses incurred during their role.

Decision Making

The organisation's Delegation of Authority policy sets out the key decisions and approvals that remain the responsibility of the Board. The Trustees vote on any such decisions and approvals (in line with the organisation's governing document) and a majority of votes in favour are needed to ratify them.

The following members held honorary roles during the year:

Name	Honorary role from April 2019	Committee membership during the year
Penny Butler	Chair (until November 2019)	Finance, Remuneration & Audit, Quality and Performance
John Ellis	Vice Chair (until November 2019) Acting Chair from November 2019	Quality and Performance
Victoria Tassell	Trustee	Finance, Remuneration & Audit, Quality and Performance

No other members resigned during the year.

The following people had been co-opted as Trustees during 2018-19 and became full members at the AGM in November 2019:

Name	Trustee role from April 2018
Mousumi Basu	Co-opted April 2018; appointed at November 2019 AGM
Jenny Wiles	Co-opted March 2019; appointed at November 2019 AGM
Mary Compton	Co-opted June 2019; appointed at November 2019 AGM

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Legal and Administrative Information (continued)

The following Committees were in place until November 2019, when the decision was made to hold meetings with all the Trustees present, rather than sub-committees, and a governance planner set up to ensure good all aspects of good governance are covered in a timely fashion The Risk Register is checked each quarter.

Finance, Remuneration and Audit

The Finance, Remuneration and Audit Committee was responsible for overseeing financial strategy; financial performance; external audit; internal financial audit; financial policies, procedures, risk management and compliance; and remuneration within Age UK Hertfordshire (AUKH). The Committee approved, and then recommended to the Board, the annual salary budget, any material changes to salary costs, employment policies and specifically the employment contracts, annual salary and remuneration review for the Senior Management Team. All of this work is now planned into the new governance calendar and decisions are made in the relevant meeting.

Quality and Performance

The Quality and Performance Committee was responsible for overseeing compliance with the organisation's quality standards, including the effective management of risk, compliance with quality assurance procedures and analysis of service user/stakeholder feedback, complaints and compliments. It monitored corporate performance, including the development of, and progress towards, achieving key outcome measures, service improvement and development and regularly reviewed and audited the policies and procedures. This Committee was responsible for overseeing the progress of Age UK Hertfordshire's (AUKH) corporate strategy and business plan. All of this work is now planned into the governance calendar and discussed by all Trustees at the relevant time

Policies and Procedures

As a Brand Partner of Age UK, Age UK Hertfordshire adheres to, and is assessed against, the Age UK Organisational Quality Standards. However, as an independent charitable company the organisation has the autonomy to develop and implement its own policies and procedures to meet both these standards and our statutory and legislative responsibilities.

External Relationships

The organisation operates under formal partnership agreements to deliver Community Dementia Services, Hospital and Community Navigation Services and the Nutrition and Dietetics service as outlined in the Objectives, Strategy and Future Plans section above.

Management Structure

The day to day management of Age UK Hertfordshire is delegated to the Chief Executive, who reports to the Board of Trustees through the Governance structure and the Board meetings. Line management is provided by the Chair. The Chief Executive leads the Director of Operations and an Extended Management Team, who are responsible for the day-to-day management of Age UK Hertfordshire.

Senior Management Team

Chief Executive	Deborah Paniagua
Director of Operations	Mark Hanna
Head of Finance	Chrissie Cornford
Company Secretary	Lorna Boyd-Bell (until 31 August 2020) Jenny Wiles (from 30 September 2020)

AGE UK HERTFORDSHIRE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Legal and Administrative Information (continued)

Senior Management Team Remuneration

The remuneration of the Senior Management Team is the responsibility of the Board of Trustees and this is reviewed annually in line with the organisation's Remuneration and Benefits Policy. Pay scales are in place that take into consideration the skills and experience required of the roles, the structure of the organisation and the organisation's financial position. Pay scales are reviewed periodically as part of the strategic, financial and resource planning.

Registered Office, Principal Address and Advisers

Registered Office and Principal Address

1 Silver Court
Watchmead
Welwyn Garden City
Hertfordshire
AL7 1LT

Bankers

Barclays Bank plc
78 Turners Hill
Cheshunt
Hertfordshire
EN8 9BW

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Auditors

Myers Clark
Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

Appreciation and Board of Trustees Approval

The Board of Trustees would like to record its appreciation and thanks for the work and support of the Senior Management Team, all members of staff and all volunteers.

The Trustees Report and Strategic Report (including Director's Report) were approved by the Board of Trustees.

Signed on behalf of the Trustees and Directors on 28 October 2020 by:

.....
John Ellis
Acting Chair

AGE UK HERTFORDSHIRE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of Age UK Hertfordshire for the purpose 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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information;
- the responsibilities set out above have been fulfilled.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 2019.

Certain trading operations are conducted by Age UK Hertfordshire Trading Limited (company number 2911828), which is under the control of Age UK Hertfordshire. The profits are applied to the objects of Age UK Hertfordshire, through corporate gift aid donations from the company to the charity.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

Opinion

We have audited the financial statements of Age UK Hertfordshire and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 group's affairs as at 31 March 2020 and of its incoming resources and application of resources, 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
- 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.

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 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.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008, Charities Act 2011 and Companies Act 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the group for the purpose 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 group'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 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AGE UK HERTFORDSHIRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF AGE UK HERTFORDSHIRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Myers Clark

9 December 2020

**Chartered Accountants
Statutory Auditor**

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	2	88,218	-	88,218	387,850
Charitable activities	3	2,666,414	877,974	3,544,388	3,496,585
Other trading activities	4	19,399	-	19,399	12,885
Investments	5	8,513	-	8,513	6,049
Total income		<u>2,782,544</u>	<u>877,974</u>	<u>3,660,518</u>	<u>3,903,369</u>
Expenditure on:					
Raising funds	6	42,782	-	42,782	25,418
Charitable activities	7	2,545,155	1,035,029	3,580,184	3,524,296
Total resources expended		<u>2,587,937</u>	<u>1,035,029</u>	<u>3,622,966</u>	<u>3,549,714</u>
Net incoming/(outgoing) resources before transfers		194,607	(157,055)	37,552	353,655
Gross transfers between funds		(109,380)	109,380	-	-
Net income/(expenditure) for the year/					
Net movement in funds		85,227	(47,675)	37,552	353,655
Fund balances at 1 April 2019		<u>1,338,788</u>	<u>209,235</u>	<u>1,548,023</u>	<u>1,194,368</u>
Fund balances at 31 March 2020		<u><u>1,424,015</u></u>	<u><u>161,560</u></u>	<u><u>1,585,575</u></u>	<u><u>1,548,023</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

Consolidated Statement of Financial Activities (Prior year detail)

	Unrestricted funds	Restricted funds	Total 2019
Notes	£	£	£
Income and endowments from:			
Donations and legacies	387,850	-	387,850
Charitable activities	2,720,964	775,621	3,496,585
Other trading activities	12,885	-	12,885
Investments	6,049	-	6,049
Total income	<u>3,127,748</u>	<u>775,621</u>	<u>3,903,369</u>
Expenditure on:			
Raising funds	25,418	-	25,418
Charitable activities	2,591,308	932,988	3,524,296
Total resources expended	<u>2,616,726</u>	<u>932,988</u>	<u>3,549,714</u>
Net incoming/(outgoing) resources before transfers	511,022	(157,367)	353,655
Gross transfers between funds	<u>(200,436)</u>	<u>200,436</u>	<u>-</u>
Net income/(expenditure) for the year/			
Net incoming/(outgoing) resources	310,586	43,069	353,655
Fund balances at 01 April 2018	<u>1,028,202</u>	<u>166,166</u>	<u>1,194,368</u>
Fund balances at 31 March 2019	<u><u>1,338,788</u></u>	<u><u>209,235</u></u>	<u><u>1,548,023</u></u>

AGE UK HERTFORDSHIRE
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	10		17,480		13,309
Current assets					
Debtors	12	245,505		295,157	
Cash at bank and in hand		1,757,795		1,750,548	
		<u>2,003,300</u>		<u>2,045,705</u>	
Creditors: amounts falling due within one year	13	<u>(435,205)</u>		<u>(510,991)</u>	
Net current assets			<u>1,568,095</u>		<u>1,534,714</u>
Total assets less current liabilities			<u><u>1,585,575</u></u>		<u><u>1,548,023</u></u>
Income funds					
Restricted funds	15		161,560		209,235
<u>Unrestricted funds</u>					
Designated funds	16	990,819		998,853	
General unrestricted funds	16	<u>433,196</u>		<u>339,935</u>	
			<u>1,424,015</u>		<u>1,338,788</u>
			<u><u>1,585,575</u></u>		<u><u>1,548,023</u></u>

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

The financial statements were approved by the Trustees on 28 October 2020

.....
 John Ellis
Trustee

Company Registration No. 03539971

AGE UK HERTFORDSHIRE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	10		17,480		13,308
Investments	11		1		1
			<u>17,481</u>		<u>13,309</u>
Current assets					
Debtors	12	251,896		296,744	
Cash at bank and in hand		<u>1,740,758</u>		<u>1,738,045</u>	
		1,992,654		2,034,789	
Creditors: amounts falling due within one year	13	<u>(432,499)</u>		<u>(508,012)</u>	
Net current assets			<u>1,560,155</u>		<u>1,526,777</u>
Total assets less current liabilities			<u>1,577,636</u>		<u>1,540,086</u>
Income funds					
Restricted funds	15		161,560		209,235
<u>Unrestricted funds</u>					
Designated funds	16	990,819		998,853	
General unrestricted funds	16	<u>425,257</u>		<u>331,998</u>	
			<u>1,416,076</u>		<u>1,330,851</u>
			<u>1,577,636</u>		<u>1,540,086</u>

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

The financial statements were approved by the Trustees on 28 October 2020

.....
John Ellis
Trustee

Company Registration No. 03539971

AGE UK HERTFORDSHIRE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	21		10,100		402,456
Investing activities					
Purchase of tangible fixed assets		(11,366)		(12,884)	
Interest received		8,513		6,049	
Net cash used in investing activities					
			(2,853)		(6,835)
Net cash used in financing activities					
			-		-
Net increase in cash and cash equivalents					
			7,247		395,621
Cash and cash equivalents at beginning of year			1,750,548		1,354,927
Cash and cash equivalents at end of year					
			1,757,795		1,750,548
Relating to:					
Cash at bank and in hand			1,757,795		1,750,548

The charity has taken advantage of the disclosure exemptions in paragraph 1.12 of FRS 102 in choosing to not prepare a separate charity statement of cash flows. The charity's statement of cash flows is consolidated in the consolidated statement of cash flows above.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.1 Accounting convention

The consolidated financial statements have been prepared in accordance with the group's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019) and the Charities Act 2011. The group is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

The charity has designated funds at the year-end which comprise funds for the IT & Communications Development Fund (for replacement of hardware and IT & communications infrastructure), Project Development Fund (for project continuation, matched funding and the development of new projects), Staffing Commitments Fund (in relation to anticipated future staffing commitments), Building Dilapidations Fund (for reinstatement of premises at the end of current leases) and Working Capital Fund (in relation to the working capital requirements of key projects). For all operational designated funds, expenditure is incurred on an ongoing regular basis.

Restricted funds are subject to specific conditions by donors as to how they may be used that are narrower than the general charitable purposes of the charity.

1.4 Income recognition

Income is recognised when the group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the group has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset. In the event that income is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Donated goods, facilities and services provided to the charity are included as income (with an equivalent amount recognised as a cost) where the value to the charity can be quantified. This is determined as the value of the donated goods, facilities and services to the charity and is equivalent to the open market price the charity would have paid for them. No financial amounts have been included within the financial statements for the services provided by volunteers.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest payable from the bank.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, and net of discounts.

1.5 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis. Irrecoverable VAT is charged against the expenditure heading for which it was incurred. All expenses including support and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure on raising funds comprises costs incurred in the trading subsidiary, fund raising and an apportionment of governance and support costs.

Expenditure on charitable activities includes an apportionment of governance and support costs.

Support costs are initially identified between governance and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of overhead costs. Other support costs comprise the general running costs of the charity.

Support costs have been apportioned based on the full time equivalent numbers of staff engaged in each activity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Office assets for administration use costing more than £2,000 with an estimated useful life of at least 3 years are capitalised. Office assets purchased for project use are written off in the year of purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Length of the lease
Fixtures, fittings and equipment	3 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/ (expenditure) for the year.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.7 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

1.13 Pension scheme

The charity offers membership of The Pensions Trust Growth Plan to all staff under the pensions audit enrolment legislation. The charity and staff members each contribute either the minimum percentage contributions under auto enrolment or 6% of their salary to the scheme. The plan is a multi-employer defined benefit pension plan. It is not possible to identify the charity's share of the underlying assets and liabilities. Pension costs in respect of the scheme are charged as they are incurred.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	43,353	26,444
Legacies receivable	44,865	361,406
	<hr/>	<hr/>
	88,218	387,850
	<hr/>	<hr/>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Charitable activities

	Fee and activity £	Service level agreements £	Performance related grants £	Total 2020 £	Total 2019 £
Fee and activity income	1,703,528	-	-	1,703,528	1,749,067
Service level agreements	-	660,772	-	660,772	560,080
Performance related grants	-	-	1,180,088	1,180,088	1,187,438
	<u>1,703,528</u>	<u>660,772</u>	<u>1,180,088</u>	<u>3,544,388</u>	<u>3,496,585</u>
Analysis by fund					
Unrestricted funds	1,703,528	-	962,886	2,666,414	
Restricted funds	-	660,772	217,202	877,974	
	<u>1,703,528</u>	<u>660,772</u>	<u>1,180,088</u>	<u>3,544,388</u>	
For the year ended 31 March 2019					
Unrestricted funds	1,749,067	-	971,897		2,720,964
Restricted funds	-	560,080	215,541		775,621
	<u>1,749,067</u>	<u>560,080</u>	<u>1,187,438</u>		<u>3,496,585</u>

Government grants and other support

Included in performance related grants is £1,069,501 (2019: £1,052,053) received from local authorities, the majority of which funds Active Ageing (£291,893) (2019: £291,893), Health Related Services (£469,730) and Visiting Scheme & InTouch (£232,554) (Combined as Independent Living in 2019: £717,849). At 31 March 2020, all amounts in relation to these amounts were expended and the performance criteria had been met (2019: £23,645 had not been expended at the year end).

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Turnover from Trading Company's operations	11,715	-	11,715	5,329
Fundraising income	1,102	-	1,102	736
Other	6,582	-	6,582	6,820
	<u>19,399</u>	<u>-</u>	<u>19,399</u>	<u>12,885</u>
Other trading activities				
	<u>19,399</u>	<u>-</u>	<u>19,399</u>	<u>12,885</u>
For the year ended 31 March 2019	<u>12,885</u>	<u>-</u>		<u>12,885</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	8,513	6,049

6 Raising funds

	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	2,313	16,839
Staff costs	27,155	-
Support costs	10,567	5,535
Fundraising and publicity	40,035	22,374
<u>Trading costs</u>		
Trading company - administrative expenses	2,747	3,044
	42,782	25,418

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Charitable activities

	Active Ageing	Independent Living*	Information and Advice	Paid-For Services	Dementia Services	Health Related Services*	Visiting Scheme & In Touch*	Total 2020	Total 2019
	£	£	£	£	£	£	£	£	£
Staff costs	300,645	-	92,241	1,103,283	161,071	413,470	133,275	2,203,985	2,125,573
Other direct costs	155,033	-	10,611	66,255	434,159	28,388	16,503	710,949	697,313
	<u>455,678</u>	<u>-</u>	<u>102,852</u>	<u>1,169,538</u>	<u>595,230</u>	<u>441,858</u>	<u>149,778</u>	<u>2,914,934</u>	<u>2,822,886</u>
Share of support costs (see note 8)	161,226	-	34,086	150,320	72,377	175,658	71,583	665,250	701,410
	<u>616,904</u>	<u>-</u>	<u>136,938</u>	<u>1,319,858</u>	<u>667,607</u>	<u>617,516</u>	<u>221,361</u>	<u>3,580,184</u>	<u>3,524,296</u>
Analysis by fund									
Unrestricted funds	481,487	-	81,138	1,303,103	-	458,066	221,361	2,545,155	
Restricted funds	135,417	-	55,800	16,755	667,607	159,450	-	1,035,029	
	<u>616,904</u>	<u>-</u>	<u>136,938</u>	<u>1,319,858</u>	<u>667,607</u>	<u>617,516</u>	<u>221,361</u>	<u>3,580,184</u>	

*In 2020, Independent Living has been reclassified into two categories of Health Related Services and Visiting Scheme & In Touch.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Charitable activities

Charitable activities (prior year detail)

	Active Ageing	Independent Living*	Information and Advice	Paid-For Services	Dementia Services	Health Related Services*	Visiting Scheme & In Touch*	Total 2019
	£	£	£	£	£	£	£	£
Staff costs	283,004	534,303	70,031	1,099,766	138,469	-	-	2,125,573
Other direct costs	168,064	53,838	10,360	61,814	403,237	-	-	697,313
	<u>451,068</u>	<u>588,141</u>	<u>80,391</u>	<u>1,161,580</u>	<u>541,706</u>	<u>-</u>	<u>-</u>	<u>2,822,886</u>
Share of support costs (see note 8)	179,050	256,417	45,054	158,200	62,689	-	-	701,410
	<u>630,118</u>	<u>844,558</u>	<u>125,445</u>	<u>1,319,780</u>	<u>604,395</u>	<u>-</u>	<u>-</u>	<u>3,524,296</u>
Analysis by fund								
Unrestricted funds	490,317	698,592	82,619	1,319,780	-	-	-	2,591,308
Restricted funds	139,801	145,966	42,826	-	604,395	-	-	932,988
	<u>630,118</u>	<u>844,558</u>	<u>125,445</u>	<u>1,319,780</u>	<u>604,395</u>	<u>-</u>	<u>-</u>	<u>3,524,296</u>

*Independent Living includes Befriending, Emotional Support and Health Related Services.

In 2020, Independent Living has been reclassified into two categories of Health Related Services and Visiting Scheme & In Touch.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Support & governance costs

	Support costs	2020	2019
	£	£	£
SUPPORT COSTS			
Staff costs	418,869	418,869	363,392
Training, recruitment & travel	9,604	9,604	9,819
Computer equipment	42,477	42,477	74,668
Postage, printing & telephone	43,842	43,842	43,184
Premises	117,649	117,649	137,748
Depreciation	7,241	7,241	8,913
Legal & professional	10,658	10,658	27,603
Other support costs	5,200	5,200	2,756
Allocated to governance costs	(6,114)	(6,114)	(7,577)
GOVERNANCE COSTS	26,391	26,391	46,439
	<u>675,817</u>	<u>675,817</u>	<u>706,945</u>
Analysed between			
Fundraising	10,567	10,567	5,535
Charitable activities	665,250	665,250	701,410
	<u>675,817</u>	<u>675,817</u>	<u>706,945</u>

Governance costs includes payments to the auditors of £11,076 (2019- £10,320) for audit fees and £2,970 (2019- £2,280) for accountancy fees.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Staff and Volunteers

Number of employees

	GROUP		GROUP	
	Average headcount		Full time equivalent employee numbers	
	2020 Number	2019 Number	2020 Number	2019 Number
Active Ageing	39	38	14	16
Visiting Scheme & In Touch	8	7	8	8
Information & Advice	3	4	3	3
Hertswise	7	6	5	5
Health Related Services	19	17	13	12
Help in the Homes	331	322	61	61
Fundraising	1	1	1	-
Trading	-	-	-	1
Management and administration	12	12	8	10
Governance	1	1	1	1
	<u>421</u>	<u>408</u>	<u>114</u>	<u>117</u>

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Wages and salaries	2,460,895	2,460,895	2,366,683	2,366,683
Social security costs	116,685	116,685	109,992	109,992
Pension costs	72,429	72,429	65,693	65,693
	<u>2,650,009</u>	<u>2,650,009</u>	<u>2,542,368</u>	<u>2,542,368</u>

There were no employees whose annual remuneration was £60,000 or more.

Pension costs

Staff are entitled to contribute to TPT's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. Series 1, 2 and 3 of the Plan is a multi-employer defined benefit pension plan. Series 4 of the Growth Plan is a defined contribution pension plan. Series 3 of the Plan closed on 30 September 2013 and from this date all contributions are paid in to the Plan Series 4.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents the employer contribution payable.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Staff and Volunteers

The latest actuarial funding update was performed at 30 September 2019 by a professionally qualified actuary using the Buy-Out Basis. The funding update revealed a shortfall of assets compared with the value of liabilities equivalent to a funding level of 88% (30 September 2018 - 87%). As at 30 September 2019 the share of this attributed to Age UK Hertfordshire has been calculated by TPT to be £89,414 (30 September 2018 - £93,810). This would only be payable if Age UK Hertfordshire had no contributing members in the pension scheme. The charity has no plans to withdraw from the scheme.

Part of the valuation process when the Plan has a deficit, is for the TPT Trustee to set a recovery plan to fund the deficit. Employers made deficit payments under a 10 year recovery plan that was first prepared in 2012 and further revised from April 2016 to fund the £176.5m deficit identified at the 2014 valuation. The existing recovery plan was extended to 30 September 2025 and equated to deficit contributions of £13m per annum, increasing at 3% per annum.

At the 2017 valuation, the deficit (valued on the Ongoing Funding Basis) reduced to £131.5m. As a result a new recovery plan was implemented by the TPT trustee, following consultation with the TPT Employer Committee and advice from the TPT Plan Actuary. Revised deficit contributions of £11.24m per annum, increasing at 3% per annum, were payable from 1 April 2019. Additionally there was also a reduction of eight months in the length of the recovery plan, which will now end on 31 January 2025 instead of 30 September 2025.

As at 30 September 2019 the deficit has decreased to £111.9m (from £131.5m at the 2017 valuation date and from £113m at September 2018).

Age UK Hertfordshire's deficit contributions started from 1 April 2013 at £2,699.40 per annum with a 3% per annum increase. Under the new recovery plan, Age UK Hertfordshire paid annual deficit contributions of £4,353.36 from 1 April 2019 and these contributions will increase by 3% per annum on each 1 April thereafter. The deficit contributions from 1 April 2020 will be £4,483.92.

The next triennial valuation is scheduled for 30 September 2020.

Contributions of £35,472 (2019 - £37,519) were outstanding at the balance sheet date. No amounts were prepaid at the balance sheet date (2019 - £nil).

Volunteers

The work of Age UK Hertfordshire would not be possible without the contribution of volunteers working across all projects and all geographical areas. In 2018-19 our dedicated and committed volunteers provided over 97,000 hours of support.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 April 2019	4,224	36,047	40,271
Additions	9,241	2,125	11,366
	<u>13,465</u>	<u>38,172</u>	<u>51,637</u>
At 31 March 2020	13,465	38,172	51,637
Depreciation and impairment			
At 1 April 2019	2,933	24,029	26,962
Depreciation charged in the year	1,745	5,450	7,195
	<u>4,678</u>	<u>29,479</u>	<u>34,157</u>
At 31 March 2020	4,678	29,479	34,157
Carrying amount			
At 31 March 2020	<u>8,787</u>	<u>8,693</u>	<u>17,480</u>
At 31 March 2019	<u>1,291</u>	<u>12,018</u>	<u>13,309</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

11 Investment in UK subsidiary

	CHARITY
Age UK Hertfordshire Trading Limited	£
Cost and net book value	
At 1 April 2019 and at 31 March 2020	1

The results and capital and reserves of Age UK Hertfordshire Trading Limited are consolidated in these accounts.

The charity owns the single issued ordinary share in Age UK Hertfordshire Trading Limited (company registration number 02911828), which is incorporated in England and Wales (registered office address: 1 Silver Court, Watchmead, Welwyn Garden City, Hertfordshire, AL7 1LT). The subsidiary is a trading company which transfers its taxable profit to the charity under a Deed of Covenant dated 25 March 2020. A summary of the trading results is shown below. The principal activity of the company during the year was receiving commission based payments on clothes recycling services.

	2020	2019
	£	£
Turnover	11,715	5,329
Administrative expenses	(2,747)	(3,044)
Operating profit	<u>8,968</u>	<u>2,285</u>
Gift Aid paid to Age UK Hertfordshire	(8,968)	(2,285)
Profit for the year	-	-
Retained profit brought forward	<u>7,937</u>	<u>7,937</u>
Retained profit carried forward	<u>7,937</u>	<u>7,937</u>
The assets and liabilities of the subsidiary were:		
Current assets	19,612	13,202
Creditors: amounts falling due within one year	(11,674)	(5,264)
	<u>7,938</u>	<u>7,938</u>
Aggregate share capital and reserves	7,938	7,938

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Debtors

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Amounts falling due within one year:				
Trade debtors	153,518	150,942	221,736	221,038
Amounts due from subsidiary undertakings	-	8,968	-	2,285
Other debtors	-	-	1,619	1,619
Prepayments and accrued income	91,987	91,987	71,802	71,802
	<u>245,505</u>	<u>251,897</u>	<u>295,157</u>	<u>296,744</u>

13 Creditors: amounts falling due within one year

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Notes				
Other taxation and social security	34,919	34,919	35,120	35,120
Deferred income 14	160,409	160,409	175,674	175,674
Trade creditors	38,328	36,522	45,795	43,776
Other creditors	171,850	171,850	231,273	231,273
Accruals	29,699	28,799	23,129	22,169
	<u>435,205</u>	<u>432,499</u>	<u>510,991</u>	<u>508,012</u>

14 Deferred income

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Other deferred income	160,409	160,409	175,674	175,674
	<u>160,409</u>	<u>160,409</u>	<u>175,674</u>	<u>175,674</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Deferred income

The movement in deferred income in the year was as follows:

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Balance at 1 April	175,674	175,674	110,615	110,615
Amount released to income from charitable activities	(172,419)	(172,419)	(110,615)	(110,615)
Amount released to income from legacies and other trading activities	(3,255)	(3,255)	-	-
Amount deferred in year from income from charitable activities	158,293	158,293	172,419	172,419
Amount deferred in year from income from other trading activities	2,116	2,116	3,255	3,255
Balance at 31 March	<u>160,409</u>	<u>160,409</u>	<u>175,674</u>	<u>175,674</u>

Deferred income relates to amounts received prior to the year end and in accordance with accounting standards and Charities SORP are deferred for recognition in a future period.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

GROUP - CURRENT YEAR

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Charitable Services	209,235	877,974	(1,035,029)	109,380	161,560
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>	<u>161,560</u>

CHARITY - CURRENT YEAR

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Charitable Services	209,235	877,974	(1,035,029)	109,380	161,560
	<u>209,235</u>	<u>877,974</u>	<u>(1,035,029)</u>	<u>109,380</u>	<u>161,560</u>

Transfers from unrestricted funds to restricted funds have been made during the year in relation to support and other costs not covered from restricted funds brought forward or income received in the year.

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

15 Restricted funds

GROUP - PRIOR YEAR

	Movement in funds				Balance at 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Charitable Services	166,166	775,621	(932,988)	200,436	209,235
	<u>166,166</u>	<u>775,621</u>	<u>(932,988)</u>	<u>200,436</u>	<u>209,235</u>

CHARITY - PRIOR YEAR

	Movement in funds				Balance at 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Charitable Services	166,166	775,621	(932,988)	200,436	209,235
	<u>166,166</u>	<u>775,621</u>	<u>(932,988)</u>	<u>200,436</u>	<u>209,235</u>

16 Unrestricted funds

The income funds of the charity include the following designated funds which are included within unrestricted funds but have been set aside by the trustees for specific purposes (as detailed in the Trustee Annual Report):

GROUP - CURRENT YEAR

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Designated Funds					
IT & Communications	75,000	-	-	25,000	100,000
Project Development	525,468	-	(156,724)	133,900	502,644
Staffing Commitments	234,042	-	-	(9,004)	225,038
Building Dilapidations	51,000	-	-	(6,000)	45,000
Working Capital	113,343	-	-	4,794	118,137
	<u>998,853</u>	<u>-</u>	<u>(156,724)</u>	<u>148,690</u>	<u>990,819</u>
General Unrestricted Funds	<u>339,935</u>	<u>2,782,544</u>	<u>(2,431,213)</u>	<u>(258,070)</u>	<u>433,196</u>
Total unrestricted funds	<u><u>1,338,788</u></u>	<u><u>2,782,544</u></u>	<u><u>(2,587,937)</u></u>	<u><u>(109,380)</u></u>	<u><u>1,424,015</u></u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Unrestricted funds

GROUP - PRIOR YEAR

	Movement in funds				Balance at 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Designated Funds					
IT & Communications	70,500	-	(70,500)	75,000	75,000
Project Development	87,284	-	(87,284)	525,468	525,468
Staffing Commitments	279,286	-	-	(45,244)	234,042
Building Dilapidations	30,000	-	-	21,000	51,000
Working Capital	-	-	-	113,343	113,343
	<u>467,070</u>	<u>-</u>	<u>(157,784)</u>	<u>689,567</u>	<u>998,853</u>
General Unrestricted Funds	561,132	3,127,748	(2,458,942)	(890,003)	339,935
	<u>561,132</u>	<u>3,127,748</u>	<u>(2,458,942)</u>	<u>(890,003)</u>	<u>339,935</u>
Total unrestricted funds	<u>1,028,202</u>	<u>3,127,748</u>	<u>(2,616,726)</u>	<u>(200,436)</u>	<u>1,338,788</u>

CHARITY - CURRENT YEAR

	Movement in funds				Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Designated Funds					
IT & Communications	75,000	-	-	25,000	100,000
Project Development	525,468	-	(156,724)	133,900	502,644
Staffing Commitments	234,042	-	-	(9,004)	225,038
Building Dilapidations	51,000	-	-	(6,000)	45,000
Working Capital	113,343	-	-	4,794	118,137
	<u>998,853</u>	<u>-</u>	<u>(156,724)</u>	<u>148,690</u>	<u>990,819</u>
General Unrestricted Funds	331,998	2,770,829	(2,419,500)	(258,070)	425,257
	<u>331,998</u>	<u>2,770,829</u>	<u>(2,419,500)</u>	<u>(258,070)</u>	<u>425,257</u>
Total unrestricted funds	<u>1,330,851</u>	<u>2,770,829</u>	<u>(2,576,224)</u>	<u>(109,380)</u>	<u>1,416,076</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Unrestricted funds

CHARITY - PRIOR YEAR

	Movement in funds				Balance at 31 March 2019
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Designated Funds					
IT & Communications	70,500	-	(70,500)	75,000	75,000
Project Development	87,284	-	(87,284)	525,468	525,468
Staffing Commitments	279,286	-	-	(45,244)	234,042
Building Dilapidations	30,000	-	-	21,000	51,000
Working Capital	-	-	-	113,343	113,343
	<u>467,070</u>	<u>-</u>	<u>(157,784)</u>	<u>689,567</u>	<u>998,853</u>
General Unrestricted Funds	553,196	3,122,417	(2,453,612)	(890,003)	331,998
	<u>1,020,266</u>	<u>3,122,417</u>	<u>(2,611,396)</u>	<u>(200,436)</u>	<u>1,330,851</u>

17 Analysis of net assets between funds

GROUP - CURRENT YEAR

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Tangible assets	17,480	-	17,480
Current assets/(liabilities)	1,406,535	161,560	1,568,095
	<u>1,424,015</u>	<u>161,560</u>	<u>1,585,575</u>

CHARITY - CURRENT YEAR

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2020 are represented by:			
Tangible assets	17,480	-	17,480
Investments	1	-	1
Current assets/(liabilities)	1,398,595	161,560	1,560,155
	<u>1,416,076</u>	<u>161,560</u>	<u>1,577,636</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Analysis of net assets between funds

GROUP - PRIOR YEAR

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible assets	13,309	-	13,309
Current assets/(liabilities)	1,325,479	209,235	1,534,714
	<u>1,338,788</u>	<u>209,235</u>	<u>1,548,023</u>

CHARITY - PRIOR YEAR

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2018 are represented by:			
Tangible assets	13,308	-	13,308
Investments	1	-	1
Current assets/(liabilities)	1,317,542	209,235	1,526,777
	<u>1,330,851</u>	<u>209,235</u>	<u>1,540,086</u>

18 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	66,257	78,770
Between two and five years	266,936	270,598
In over five years	-	64,270
	<u>333,193</u>	<u>413,638</u>

AGE UK HERTFORDSHIRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	166,008	152,638

No trustee received any remuneration or benefits from the charity or its subsidiary (2019 - none). Three trustees received reimbursement for travel expenses of £782 (2019 - Three trustees received reimbursement for travel expenses of £1,205).

20 Subsidiaries

Details of the group's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Age UK Hertfordshire Trading Limited	England & Wales	Trading Company	Ordinary	100.00	

21 Cash generated from operations

	2020 £	2019 £
Surplus for the year	37,552	353,655
Adjustments for:		
Investment income recognised in statement of financial activities	(8,513)	(6,049)
(Gain)/loss on disposal of tangible fixed assets	-	507
Depreciation and impairment of tangible fixed assets	7,195	8,913
Movements in working capital:		
Decrease/(increase) in debtors	49,652	(40,365)
(Decrease)/increase in creditors	(75,786)	85,795
Cash generated from operations	10,100	402,456

22 Analysis of changes in net funds

The group had no debt during the year.