

REGISTERED CHARITY NUMBER: 1154403



**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2016
for
Age Concern North Wales Central
Operating as
Age Connects North Wales Central**

Salisbury & Company
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

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REPORT OF THE TRUSTEES

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The purpose of the Charity is to promote the relief of older people in a manner which now is or hereafter may be deemed by law to be charitable in and around Conwy County Borough and Denbighshire County or any other area coterminous with the operation of the Betsi Cadwaladr University Health Board and to provide goods and services as approved from time to time by the Age Connects North Wales Central board of trustees.

The charity aims to both represent and support older people, in a tailored, flexible manner which is sensitive to their needs. We do this by:-

- Providing information and advice
- Listening and offering empathy to older people in need
- Representing the views and interests of individuals, groups and communities
- Providing support in both groups and on an individual basis
- Working with other relevant organisations
- Raising public awareness of issues relating to older people
- Providing a link between people, services and the community

Main Activities

The main activities of the Charity which took place during the year were for the public benefit. The activities as follows:

Cold Buster:	Energy advice and help with welfare benefits.
Community Navigator:	Supporting social prescribing through linking people with community support.
Happy Feet:	Chargeable toe nail cutting service.
Hubbub:	Community forums involving activities and enabling feedback about services.
I&A:	Information and Advice, including a centralised telephone helpdesk.
Perennials:	Participation in horticultural activities such as dementia friendly gardening.
Safeguarding:	North Wales older person's advocacy services.
Speak Up:	Engaging residents in care whilst giving them a voice over any concerns.

Trustees confirm that they have had due regard to the guidance issued by the Charity Commission relating to public benefit when planning the activities for the year.

ACHIEVEMENT AND PERFORMANCE

As with previous years, in 2015/16 we have been very busy in meeting the challenges and changes within the organisation. The year was spent consolidating the existing services and applying for funding for a range of exciting new projects.

In the summer we put in a bid to Comic Relief to continue our pioneering 'Resilience and

Confidence ' building work in care homes across the region and we were awarded £200,000 over three years to continue this work. Around the same time, we were also awarded a grant following an application to Lloyds Bank Foundation for a project called Voyager, this will help older people entering into care, to be supported during the transition, with regards to their mental health and wellbeing. We were also successful in gaining funds from the British Gas Energy Trust for our ground breaking Cold Buster project which tackles fuel poverty and related issues across the region. We secured a small grant from the Access to Justice Foundation to be able to work on a pro bono basis with Gamlins Solicitors and Swayne Johnson Solicitors to support people who can no longer access legal aid. This is an exciting piece of work and we are very grateful to both firms for their support.

Most significant changes took place during and just after the March 2016 year end. Following a competitive tender, the Charity no longer delivers the local authority funded Advocacy service. The Big Lottery funded Safeguarding/Advocacy service came to an end of its project lifecycle. Despite significant investment in the Perennials project at our St Asaph and Corwen horticulture sites, financial constraints meant having to reduce activities considerably. Funding for our consortium involvement in the Ark project, St Asaph, was also completed.

The organisation had a busy Christmas period with a well-attended concert at Ruthin Tabernacle and we were fortunate to be able to make this a truly intergenerational event. My thanks go to Mr Dilwyn Jones, our former Chair for all his efforts in making the event a success.

In spite of the favourable news in 2015/16, we had some sad news too. Mrs Marjorie Williams, stalwart Trustee of 4 years passed away in the spring. Marjorie was kind, but tough and a wonderful support to Judith Wynne, the Chief Executive at the time, and a great Trustee. She will be remembered very fondly by Staff, Volunteers and the Board. Other sad news is that our Chair Mr Dilwyn Jones retired from his post. Our thanks go to Dilwyn for his commitment to the organisation over nearly 5 years and his good sense and compassion. He will be missed, however, Mr Neil Bryson took on the mantle of Chair and is a very safe pair of hands to steer the charity over the next phase of development along with the new CEO Barry Haines from June 2016.

The charity continues to embed itself in communities across central North Wales and we are pleased to report an increase in donations. We held a Tesco bag pack, which raised nearly £400 and a London Marathon sponsored staff member - Sabine Hoekema, raised nearly £3,000 pounds for the Charity; well done Sabine.! Vicky our marketing and relationships manager has worked very hard to tell local businesses about our work and we thank Tweedmill, Swayne Johnson Solicitors, DSL Mobility and Home Instead for their support in our fundraising efforts. We would also like to extend our thanks to the former mayor of Ruthin Ann Roberts for her coffee morning which raised nearly £300 for Age Connects. Without all these generous acts, we would find it difficult to maintain the same level of support in our community.

FINANCIAL REVIEW

Principal Funding Sources

As in previous years, over half of funding during the year has been from Conwy and Denbighshire County Councils. These are by way of service level agreements whereby Age Connects North Wales Central provides certain services and to an agreed standard. Monitoring arrangements are particularly rigorous as we continue to report good value for money to the public purse. Services funded by the two Councils are shown in Note 4 to the accounts.

Grants and fees continue to be received from other sources, and, these are for specific purposes or are in respect of a service provided. The major funders have been included in Note 4 to the accounts.

There has also been a significant number of unsolicited donations - for example, in lieu of floral tributes, or indicating satisfaction following the provision of a service.

Overall income of £295,949 is significantly lower by 22.5%, than the previous year. This in turn has resulted in the £31,293 deficit incurred during the year. The reason for this is partly due to insufficient contribution towards fixed costs. This issue is being resolved twofold; increasing income through gaining new grants and contracts; reducing unnecessary costs such as use of consultancy services.

The 2016/17 year is expected to turn the tide on the past 4 years' deficits, with a return to surpluses in 2017/18.

ACNWC have a current pension deficit valued at £18,552 under FRS102. This is a defined benefit scheme for which we will continue to be a member of. We will follow the government's requirement for Auto Enrolment in 2017 by offering a defined contribution scheme in order to avoid any further long terms pension liabilities.

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's fixed or indirect expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The board considers that the minimum level of reserves has been maintained throughout the year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, which constitutes a Charitable Incorporated Organisation (CIO). The Charity became a CIO on 30th October 2013, from the previous unincorporated body registered under charity number 1029964.

Recruitment and Appointment of New Trustees

Trustees are elected for a term of three years, at the end of which they are eligible for re-election. Prospective Trustees are nominated by Member(s) of Age Concern North Wales Central and elections are held if the number of nominations exceeds the number of Trustee vacancies. Trustees receive induction to their role, together with any on-going learning, training and/or development in response to identified need.

The responsibilities of Charity Trustees are outlined in the Charity Commission leaflet "Responsibilities of Charity Trustees." Trustees must be over 18 years of age and not disqualified under Section 72 of the Charities Act 1993 because of bankruptcy or conviction for an offence of dishonesty or deception. People should only become a Trustee if they:

- are prepared to give the necessary time and effort to the governance of the Charity
- can help the Charity achieve its aims through their expertise or commitment
- understand and accept that trusteeship carries legal duties and responsibilities

Organisational Structure

The activities of Age Connects North Wales Central are controlled by the Board of Trustees. During the year, this consisted of six elected members to the Board. Meetings are convened and serviced by the Chief Executive Officer and assisted by his/her Deputy CEO.

The Board of Trustees meet at least six times per annum. In addition, there is one General Meeting per annum, which is the Annual General Meeting. Minutes are kept of each meeting and, if they so wish, members of Age Connects North Wales Central are welcome to examine the minutes at any reasonable time. The Board is responsible for setting the strategic direction of the Charity, whilst responsibility for day-to-day operational management lies with the Chief Executive

Officer.

Age Connects North Wales Central benefits from the commitment of about 20 volunteers, most of which are actively involved in a range of projects and services.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered CIO Company Number

1154403 (England and Wales)

Registered Charity Number

1154403

Registered Office

15 Bridge Street
Denbigh
Denbighshire
LL16 3LF

Trustees

Mr N Bryson (Chairperson - Appointed March 2016)

Mr T Latham

Mr R Davison

Mrs A Jones (Appointed – July 2016)

Mr D Jones (Chairperson - Resigned March 2016)

Mrs A Robinson (Resigned – November 2016)

Mrs H Townley (Resigned – November 2016)

Independent Examiner

Salisbury & Company
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Approved by order of the board of trustees on 20/12/16 and signed on its behalf by:



Mr N Bryson – Trustee and Chairperson

Independent Examiner's Report to the Trustees of Age Concern North Wales Central

I report on the accounts for the year ended 31 March 2016 set out on pages six to fifteen.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jason Matischok ACA
ICAEW
Salisbury & Company
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Salisbury & Company Business Solutions Ltd.

Date: 20/12/16

**Statement of Financial Activities
for the year ended 31 March 2016**

		Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,448	11,179	12,627	23,460
Charitable activities	4				
Supporting older people		36,355	246,967	283,322	358,091
Other trading activities	3	-	-	-	167
Total		37,803	258,146	295,949	381,718
EXPENDITURE ON					
Raising funds	5	(1,265)	5,998	4,733	432
Charitable activities					
Supporting older people		44,216	262,015	306,231	376,267
Depreciation		391	719	1,110	-
Other		10,056	5,112	15,168	25,407
Total		53,398	273,844	327,242	402,106
NET INCOME/(EXPENDITURE)		(15,595)	(15,698)	(31,293)	(20,388)
Transfers between funds	13	<u>(15,532)</u>	<u>15,532</u>	-	-
Net movement in funds		(31,127)	(166)	(31,293)	(20,388)
RECONCILIATION OF FUNDS					
Total funds brought forward		104,731	7,734	112,465	132,853
TOTAL FUNDS CARRIED FORWARD		<u>73,604</u>	<u>7,568</u>	<u>81,172</u>	<u>112,465</u>

**Balance Sheet
At 31 March 2016**

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	10	1,564	-	1,564	2,510
CURRENT ASSETS					
Debtors	11	2,235	5,079	7,314	440
Cash at bank and in hand		<u>78,349</u>	<u>62,946</u>	<u>141,295</u>	<u>127,223</u>
		78,914	70,599	148,609	127,663
CREDITORS					
Amounts falling due within one year	12	(8,543)	(60,458)	(69,001)	(17,708)
NET CURRENT ASSETS/(LIABILITIES)		<u>72,041</u>	<u>7,567</u>	<u>79,608</u>	<u>109,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,605</u>	<u>7,567</u>	<u>81,172</u>	<u>112,465</u>
NET ASSETS/(LIABILITIES)		<u>73,605</u>	<u>7,567</u>	<u>81,172</u>	<u>112,465</u>
FUNDS	13				
Unrestricted funds				73,605	104,731
Restricted funds				<u>7,567</u>	<u>7,734</u>
TOTAL FUNDS				<u>81,172</u>	<u>112,465</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 20/12/16 and were signed on its behalf by:


Mr N Bryson – Trustee and Chairperson.

3. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Fundraising events	<u>-</u>	<u>167</u>

4. INCOME FROM CHARITABLE ACTIVITIES

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Conwy CBC - Core	12,748	13,748
Conwy CBC - Forums	8,220	8,226
Conwy CBC - Handypersons	-	22,734
Denbighshire CC - Core	15,611	17,155
Denbighshire CC - Forums	8,604	9,588
Freeman Evans Trust	7,504	6,500
Scottish Power - Welfare Benefits Maximisation	-	25
Lloyds Bank Foundation - IT Project	20	-
BIG Lottery Advantage	45,667	169,642
Jobs Growth Wales	1,659	4,291
Speak Up	20,820	26,993
ARK	24,944	14,642
Lloyds Bank Foundation HubBub	-	5,750
ARK Community Foundation	2,666	5,332
Advocacy Conwy & Denbighshire DCC's	58,163	48,215
Community Navigator – Denbighshire CC	21,396	5,250
Santander / Welsh Government Learn & Grow / Perennials	17,133	-
Cold Buster – British Gas Energy Trust	36,166	-
Access to Justice Foundation	<u>2,001</u>	<u>-</u>
	<u>283,322</u>	<u>358,091</u>

5. RAISING FUNDS

Other trading activities

	2016	2015
	£	£
Purchases	6,028	432
Commission	45	-
Support costs	<u>(1,340)</u>	<u>-</u>
	<u>4,733</u>	<u>432</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	1,111	-
Other operating leases	<u>12,635</u>	<u>16,496</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses

	2016	2015
	£	£
Trustees' expenses	<u>3,821</u>	<u>3,647</u>

8. STAFF COSTS

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

	2016	2015
Full & part time staff	<u>16</u>	<u>16</u>

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 2014/15

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	10,797	12,663	23,460
Charitable activities			
Supporting older people	41,694	316,397	358,091
Other trading activities	<u>167</u>	<u>-</u>	<u>167</u>
Total	52,658	329,060	381,718
 EXPENDITURE ON			
Raising funds	2	430	432
Charitable activities			
Supporting older people	27,193	349,074	376,267
Other	<u>4,871</u>	<u>20,536</u>	<u>25,407</u>
Total	<u>32,066</u>	<u>370,040</u>	<u>402,106</u>
 NET INCOME/(EXPENDITURE)	20,592	(40,980)	(20,388)
Transfers between funds	<u>(30,605)</u>	<u>30,605</u>	<u>-</u>
 Net movement in funds	(10,013)	(10,375)	(20,388)
 RECONCILIATION OF FUNDS			
Total funds brought forward	114,745	18,108	132,853
 TOTAL FUNDS CARRIED FORWARD	<u>104,732</u>	<u>7,733</u>	<u>112,465</u>

10. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2015	31,269
Additions	<u>165</u>
At 31 March 2016	<u>31,434</u>
DEPRECIATION	
At 1 April 2015	28,759
Charge for year	<u>1,111</u>
At 31 March 2016	<u>29,870</u>
NET BOOK VALUE	
At 31 March 2016	<u>1,564</u>
At 31 March 2015	<u>2,510</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	<u>7,314</u>	<u>440</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	15	-
Taxation and social security	3,295	3,843
Other creditors	<u>65,691</u>	<u>13,865</u>
	<u>69,001</u>	<u>17,708</u>

13. MOVEMENT IN FUNDS

	At 1/4/15	Net movement in funds	Transfers between funds	At 31/3/16
	£	£	£	£
Unrestricted funds				
General fund	35,269	(15,594)	35,378	55,053
Defined Benefit Pension Fund Reserve	44,000	-	(25,448)	18,552
Contingency fund	<u>25,462</u>	<u>-</u>	<u>(25,462)</u>	<u>-</u>
	104,731	(15,594)	(15,532)	73,605
Restricted funds				
Conwy CBC Handypersons	-	(954)	954	-
Welfare Benefits	3,259	(416)	-	2,843
IT Project - George Harold Legacy	859	(2,576)	1,717	-
Practical Help Grant	-	(167)	167	-
BIG Lottery AdvantAGE Advocacy	-	(107)	107	-
Speak Up – Local Authority	1,331	44	-	1,375
ARK	-	(899)	899	-
HubBub (Lloyds)	-	(1,571)	1,571	-
Social Enterprise	1,443	(812)	-	631
ARK Communication Foundation	839	953	-	1,792
Advocacy Denbighshire & Conwy	3	(7,614)	7,611	-
Learn & Grow / Perennials	-	822	970	1,792
Community Navigator	-	(2,802)	1,279	(1,523)
Legal Allies	-	657	-	657
Speak UP Comic Relief	<u>-</u>	<u>(257)</u>	<u>257</u>	<u>-</u>
	<u>7,734</u>	<u>(19,874)</u>	<u>15,532</u>	<u>7,567</u>
TOTAL FUNDS	<u>112,465</u>	<u>(31,293)</u>	<u>-</u>	<u>81,172</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	37,803	(53,397)	(15,594)
Restricted funds			
Conwy CBC Handypersons	74	(1,028)	(954)
Welfare Benefits	810	(1,226)	(416)
IT Project - George Harold Legacy	569	(3,145)	(2,576)
BIG Lottery Advant-Age Advocacy	2,000	(2,107)	(107)
Speak Up – Local Authority	20,821	(20,777)	44
ARK	24,944	(25,843)	(899)
HubBub (Lloyds)	16,824	(18,395)	(1,571)
Social Enterprise	9,830	(10,642)	(812)
ARK Communication Foundation	2,666	(1,713)	953
Advocacy Denbighshire & Conwy	101,831	(109,445)	(7,614)
Learn & Grow / Perennials	18,211	(17,389)	822
Community Navigator	21,396	(24,198)	(2,802)
Cold Buster	36,169	(36,169)	-
Legal Allies	2,001	(1,344)	657
Practical Help Grant	-	(167)	(167)
Speak Up Comic Relief	<u>-</u>	<u>(257)</u>	<u>(257)</u>
	<u>258,146</u>	<u>(273,845)</u>	<u>(15,699)</u>
TOTAL FUNDS	<u>295,949</u>	<u>(327,242)</u>	<u>(31,293)</u>

13. MOVEMENT IN FUNDS - continued

Conwy CBC Handypersons

This fund exists to help older people who are unable to undertake a small repair or maintenance jobs around the home who have no one else to call upon. This fund, which provided for services in the county of Conwy is no longer operating.

Denbighshire Forums

This fund is held to enable the charity to organise forums to give older people the opportunity to comment on the quality and range of services provided and to discuss any issues affecting them in the Denbighshire area.

Conwy CBC Forums

This fund is held to enable the charity to organise forums to give older people the opportunity to comment on the quality and range of services provided and to discuss any issues affecting them in the Conwy area.

Lloyds Bank Foundation - Hubbub

This fund is used to fund IT training for older people who have little or no previous IT experience at their homes. This project offers one to one training to enable older people to have a sound knowledge of IT. This project is over a 12 month period.

Welfare Benefits (Funded from Core reserves)

This fund is held to assist older people in making sure they are claiming all allowances and/or benefits which are wholly, rightfully theirs. The fund helps with home visits to assist with claiming allowances and/or benefits.

Perennials and Learn to Grow Garden Project - Santander Bank

This small fund is enabling the establishment of 2 garden plots for the use of people with Dementia and terminal illnesses.

Community Navigator

This fund helps older people access local services and build their resilience.

BIG Lottery AdvantAGE Advocacy

This fund is used to provide advocacy services for older people across North Wales.

Speak Up

This project helps build resilience for older people in care homes.

ARK

This fund is to help people affected by the floods of 2013 in Denbighshire.

Advocacy Denbighshire & Conwy

This project is supporting older people to stand up for their rights and interests.

Coldbusters

This project is to help older people who are in fuel poverty living in cold conditions. This project is funded by British Gas Energy Trust.

Legal Allies

This project aims to increase the number of older people who are able to access free or subsidised quality legal support provided by lawyers, trainees and volunteers. This project is funded by Access2Justice.

Speak UP Comic Relief

This project is to help older people in care homes build or regain confidence enabling them to speak up for themselves.

Transfers Between Funds

The transfers represent unrestricted income funds used to finance a deficit on a restricted fund.

14. RELATED PARTY DISCLOSURES

During the year, Gamlins Solicitors invoiced Age Connects North Wales Central £2,846 for professional services in connection with employment and contracts. Gamlins Solicitors is a related party through their Director, Mr R Davison who is also a Trustee of Age Connects. None of the charges were related to his trusteeship.

There were no other related party transactions for the year ended 31 March 2016.

15. DEFINED BENEFIT PENSION SCHEME

1. Age Concern North Wales Central participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

2. 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.

3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

8. Age Connects North Wales Central paid contributions at the rate of 6% during the accounting period. The member paid contributions at the rate of 5% during the accounting period.

9. As at the balance sheet date there was one active member of the Plan employed by Age Connects North Wales Central.

10. 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 assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

11. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's

Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

12. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

13. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

14. The Scheme Actuary has prepared a funding position update as at 30 September 2013. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

15. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

16. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

17. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

18. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

19. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

20. When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

21. The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

Pension Reserve

23. Age Connects North Wales Central has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt was £44,085.73. Since there is no intention of withdrawing from the plan we utilise the FRS102 method of valuation which gives a Present Value Provision of £18,522.

**Detailed Statement of Financial Activities
for the year ended 31 March 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	11,840	13,282
Legacies	-	9,533
Commissions	<u>787</u>	<u>645</u>
	12,627	23,460
Other trading activities		
Fundraising events	-	167
Charitable activities		
Grants	<u>283,322</u>	<u>358,091</u>
Total incoming resources	295,949	381,718
EXPENDITURE		
Other trading activities		
Purchases	6,028	432
Commission	<u>45</u>	<u>-</u>
	6,073	432
Charitable activities		
Wages	163,918	197,501
Social security	11,667	15,345
Rent and rates	-	1,050
Telephone	430	585
Postage and stationery	1,039	7,677
Advertising	3,986	8,043
Room hire	754	2,190
Travelling expenses	12,517	14,958
Subsistence and entertaining	1,154	847
Taxi transport	68	10
Repairs and renewals	-	103
Subscriptions	460	44
Training and recruitment costs	2,851	1,611
Motor expenses	29	3,027
Handyperson materials	107	(196)
Recharged support costs	46,726	87,345
IT and computer	3,056	1,763
Line management	3,140	1,750
Motor vehicles	<u>719</u>	<u>-</u>
	252,621	343,653

Support costs

Management

Trustees' expenses	3,821	3,647
Wages	50,255	57,027
Pensions	-	994
Rent and rates	12,635	15,446
Rates and water	678	750
Insurance	825	1,896
Light and heat	1,886	1,214
Telephone	1,698	1,890
Postage and stationery	4,257	8,894
Advertising	1,777	2,443
Service charge	(840)	840
Room hire	291	974
Travelling expenses	1,367	913
Subsistence and entertaining	12,734	377
Taxi transport	-	65
Equipment hire	2,572	3,778
Repairs and renewals	1,309	1,700
Subscriptions	1,783	557
Training costs	747	1,172
Books and publications	294	141
Recharged support costs	(46,724)	(87,345)
Office management	-	12,961
IT and computer	1,624	2,280
Fixtures and fittings	52	-
Computer equipment	339	-

53,380 32,614

Governance costs

Auditors' remuneration for non-audit work	2,916	3,429
Legal and professional fees	12,252	21,978

15,168 25,407

Total resources expended

327,242 402,106

Net Surplus / (Deficit)

(31,293) (20,388)