

Consolidated Financial Statements

**For the Year Ended
31 March 2017**

AGE UK NORTH TYNESIDE

OFFICERS AND FINANCIAL ADVISERS

FOR THE YEAR ENDED 31 MARCH 2017

Company Registration Number:	01763579 Registered in England and Wales
Charity Registration Number:	1049527
Registered Office:	The Bradbury Centre 13 Saville Street West North Shields Tyne & Wear NE29 6QP
Board of Trustees:	Mr J.E. Coulter (Chair) Dr A.I. Machin (Vice Chair) Mr R.D. Morton (Treasurer) Mr D.A. Brydon (Resigned 29 th November 2016) Ms K. Duggan Ms T.J. Harrison Mr B.N. Howorth (Resigned 1 st February 2017) Mrs J.C. Pitkeathley Mr D.C. Sharp Miss A.L. Stanners (Resigned 21 st February 2017)
Executive Team:	Ms A. Caldwell (Group Chief Executive) Ms D. McNally (Group Deputy Chief Executive)
Bankers:	Barclays Bank plc 3 Northumberland Square North Shields Tyne & Wear NE30 1AX
Auditors:	Tait Walker LLP Chartered Accountants & Statutory Auditors Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Investment Managers:	Foster Denovo 15 Brenkley Way Blezard Business Park Wideopen Newcastle upon Tyne NE13 6DS
Solicitors:	Muckles LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

AGE UK NORTH TYNESIDE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

INDEX	PAGE
Board of Trustees Report (Incorporating the Strategic Report)	1-11
Independent Auditors Report to the Members and Trustees of the Charitable Company	12-13
Accounting Policies	14-17
Consolidated Statement of Financial Activities	18
Consolidated and Charity Balance Sheet	19
Notes to the Consolidated Financial Statements	20-38

OBJECTIVES AND ACTIVITIES

The Trustees present their report and audited accounts for the year ended 31 March 2017. This is Year Two of our five year 2020 Strategy.

Our 2020 Strategy came into effect from 1 April 2015 following a transition year in 2014-15 which included an independent service evaluation and full consultation process with Board members, staff, volunteers, customers, statutory partners, core funders and the wider public.

The 2020 Strategy is performance driven to achieve growth and long term sustainability of the organisation whilst ensuring a personalised customer focused service is maintained at all times. This includes launching Life Choices Plus Limited, our wholly owned subsidiary company, with a new brand name "EveryDay" delivering professional care services to all age adults (which we did in August 2015) and becoming the specialist 'go to' agency for post dementia diagnosis support in the borough. Both providing vital services and helping to generate valuable unrestricted income to support the charity's wider work with older people in the community.

Our **Vision**: "A world where everyone enjoys later life".

Our **Mission**: "To help people make more of life".

Our 2020 six Strategic **Aims and Objectives**:

Aim 1: As experts in older peoples' issues: Provide accessible information, advice and guidance to :

- Ensure people are aware of their rights and entitlements
- Empower people to make informed choices
- Help people to navigate systems to find the right services and products to meet their individual needs

Aim 2: As a quality service provider: Expand the range and reach of professional care and support services to :

- Enable people to maintain their independence for as long as possible
- Provide specialist dementia support services to individuals with dementia and their carers
- Support family carers so they enjoy a good quality of life

Aim 3: As an established and respected local organisation: Engage more older people in preventative activities to :

- Improve physical and mental wellbeing
- Address isolation and loneliness
- Build personal resilience and coping strategies

Aim 4: As a campaigning and influencing organisation: Work to make North Tyneside a more age friendly place to live to :

- Support older people to make a positive contribution to community life
- Promote the contribution and diversity of older voices to be valued and respected
- Promote the benefits of an age friendly borough to support older people to have a good quality of life

Aim 5: As a local employer: Be recognised as an Employer of Choice to :

- Offer staff quality training and development opportunities
- Offer flexible employment practices
- Attract and retain high calibre quality staff committed to upholding our values and beliefs
- Engage staff and promote a healthy lifestyle

Aim 6: As an Age UK Brand Partner: Commit to the Age UK Shared Strategy and developing effective partnerships with a range of organisations to achieve our ambitions to :

- Develop cost efficient, effective and sustainable services
- Strengthen our role in providing new / innovative solutions for older people
- Improve services for older people

PUBLIC BENEFIT STATEMENT

The Trustees have referred to the guidelines contained in the Charity Commission's general guidance on public benefit when reviewing the year's aims and objectives and in planning future activities. The charity's aims and objectives above are reported clearly below to provide clear and demonstrable public benefit.

ACHIEVEMENTS & PERFORMANCE

AIM 1: Provide accessible information, advice and guidance

We did this by:

Increasing access to our services across the four localities of the borough

- We set up Information and Advice surgeries in the Oxford Centre, Wallsend Customer First Centre, Whitley Bay Centre and continued to provide this service from the Bradbury Centre in North Shields
- We received over 50,000 telephone calls during the year and increased our social media profiles. Our website received 8% (Charity) and 109% (EveryDay) more visitors than last year, we also reported similar trends in our Facebook and Twitter activity.
3,097 individual older people engaged with us through community networking, which represents an increase of 136% on the previous year and 1,356 older people attended group community sessions which also represents a significant increase on the previous year

Increasing levels of benefit take-up

- We supported 2,993 older people to secure £1,062,912 in benefits which is a 10% increase in that achieved in previous year.

Increasing numbers of people receiving new services

- The number of Customers accessing our services increased from 2,245 at 1 April 2016 to 3,077 at 31 March 2017, an increase of 37% on the previous year
- The increase in new Customers was seen mainly in the new services in Dementia, EveryDay Living and Energy but also in EveryDay Care at Home in South Tyneside.

Maintaining customer satisfaction

- Our Customer Service Team delivered 1,070 Guided Conversations to older people, which is an opportunity to meet and discuss the needs and aspirations individuals have and how we can support to achieve them
- On average 95% of Customer Outcomes were achieved where older people received a service from Age UK North Tyneside
- Our Customers reported that they were overall 87% satisfied with our service in our annual Customer Satisfaction Survey
- We achieved an average score of 86% in External Contract Monitoring Inspections. We achieved a "GOOD" rating from our CQC inspection in South Tyneside which means we have an overall "GOOD" rating for Care at Home Services across North and South Tyneside, with "OUTSTANDING" in the Care category in North Tyneside.

Aim 2: Expand the range and reach of professional care and support services
--

We did this by:

Increasing number of people receiving care and support services

- We continued to deliver our domiciliary care service in five Extra Care Housing Schemes, Homeside Lodge, Edith Moffat House, Fontburn Court, Thomas Ferguson Court and Sandringham Court. Weetslade Court was a new addition during the year, working in partnership with the Riverside Group to provide over-night care. We delivered on average 2,250 hours of service each week to 176 older people, in Extra Care Housing.
- Our new domiciliary care contract in South Tyneside increased slowly over the year to provide an average 400 hours of service each week to 30 older people. The North Tyneside contract remained consistent delivering an average 1,600 hours each week to 194 individuals.
- We secured the Day Service Contract in North Tyneside, in June 2016 following competitive tender, and therefore continue to provide health and wellbeing services from Cedar Grove, Rowan Croft and Linskill Park Well-being Centres. Over the year we provided 63,966 hours of care and support to 137 older people of which 62% had a dementia diagnosis.
- We continued to work in partnership with Age UK, Tyne Health, North Tyneside CCG, North Tyneside Council and Northumbria Healthcare Trust on the Age UK Living Well and CCG Care Plus Integrated Programmes. Through this we supported 164 frail older people with complex health conditions to maintain independent living at home, manage their health conditions better and re-engage in social networks.
- The Second Year of Big Lottery Funding for our Home from Hospital service enabled us to support 59 older people to return home safely and re-build their confidence following an extended period of time in hospital.
- Our Social Prescribing Service had 808 referrals over the year and supported individuals with mild to moderate mental health issues, have a disability or who were isolated or lonely to engage in social and leisure activities in their community. We continued as the Lead Partner with Tyneside MIND and Percy Hedley Trust to deliver this service.

Increasing support to people with dementia

- We strengthened our partnership with the Ballinger Trust to implement our five year Dementia Strategy.
- At 31 March 2017 we employed two Admiral Nurses, a Dementia & Wellbeing Manager, Dementia & Wellbeing Co-ordinator and two Dementia Support Officers. A third Admiral Nurse is in the process of being appointed to complete the team.
- With feasibility funding from the Ballinger Trust we have explored, identified and are now trying to secure a site to create a new specialist Dementia Resource Hub for the Borough.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT INCORPORATING THE STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

- We provided 856 hours of support to 214 individuals with dementia. Admiral Nurses provided 624 hours of clinical support to people with dementia.
- The dementia service team provide information and advice, social groups, memory cafes, one to one support, peer support, wellbeing centres, and clinical support.

Increasing level of support to carers

- We continued to work in partnership with the Carers Centre in North Tyneside, with a focus on carers caring for those with dementia
- We supported 325 family carers during the year. It is estimated that family carers realise a saving of £642 per week in care and support which would otherwise need to be provided by statutory agencies. Our Admiral Nurses supported 500 family carers to cope better and longer with their caring responsibilities.

Aim 3: Engage more older people in preventative activities

We did this by:

Increasing participation in social activities and networks across the borough

- Two new social groups were developed to add to the existing 13. These were a second Men's Group and an Art Group, both in Wideopen.
- 17 different physical activity groups met weekly for people over 50, including Tai Chi, Zumba and Tea Dances.
- We continued to provide an Enabling & Befriending Service under contract to North Tyneside Council which supported 77 customers over the year delivering 8,398 hours of service and

Increase contribution of volunteers

- Our dedicated volunteer team continue to bring much added value across all services. We increased the number of active volunteers from 175 to 198 during the year.
- Our volunteers each give an average of 3 hours per week of their time to support others. This calculates as a financial contribution of £233,695 to the organisation if we assume all were paid at the National Minimum Wage
- We were successful in our application to the Department of Health to develop a Time Bank in North Tyneside. This supports people in North Shields to exchange their skills and time with each other which in turn helps to build community cohesion and the community's own support mechanisms.

Meeting needs of Hard to Reach Groups

- We now support 3 'harder to reach groups' across North Tyneside, including 2 Men's Groups and a Transgender Group. A new Older Lesbian, Gay, Bi-sexual, Transgender, Queer, Questioning, Intersex (OLGBTQI) group is being supported at the request of the local community.
- Many of our services reach out to those who are feeling isolated and/or lonely for example, Befriending and Social Prescribing services. Individuals are referred for social engagement from a wide range of agencies including GPs, health services and distant families.

Aim 4: Work to make North Tyneside a more age friendly place to live

We did this by:

Campaigning on issues of concern to older people, including:

- No One Should Have No One Campaign – Age UK's national campaign to address Loneliness

Influencing key policies and decision makers, including:

- Working with Schools, private businesses, voluntary sector and the public sector to raise awareness of dementia through Dementia Friends Awareness training.
- We worked with 12 organisations who collectively now have 89 new Dementia Friends. In North Tyneside there are now almost 6,000 dementia friends
- Representing older people's issues on a range of Committees and Working Groups for example North Tyneside (NTC) Health & Wellbeing Board, Clinical Commissioning Group (CCG) Older People's Integration Board and NTC Self Care and Prevention Board, Northumbria Police Dementia Safeguarding Initiative, NTC Safe Places, North Tyneside Healthwatch and Northumbria University Dementia Network.
- We extended the NTC Dementia Friendly Communities programme from Wallsend into Whitley Bay and Dudley areas of the borough.

Raised awareness around:

- We supported 563 older people to review their energy costs and identified £17,401 in savings through the Energy SMART Meter programme
- In National Volunteers Week we promoted the services and benefits of volunteering and held our Annual Volunteer Thank You party at Christ Church in North Shields.
- We again sponsored the Age Takes Centre Stage Awards Ceremony which took place on the DFDS King of Seaways. 27 Awards were presented to the nominated groups and individuals by Councillor Alison Waggot-Fairley and the Chairman of the Council, Councillor Dave McGarr. The annual Awards recognise, celebrate and promote the contribution of North Tyneside's older people to their community.

Aim 5: Employer of Choice

We aim to achieve this aim by:

Improving Total Reward Package

- Despite the challenges in the Health & Social Care Sector we awarded all staff a 3% cost of living award from January 2017 and a further 1.6% to hourly paid staff from 1 April 2017
- We introduced guaranteed hours contracts to all care staff, a free DBS check and increased the cash reward for the Staff Referral Scheme
- We improved our Staff Loyalty Awards Scheme by recognising staff length of service after two years (previously five years)
- We extended the charity's Annual David Luke Award for staff and volunteers who have demonstrated outstanding customer service by distinguishing staff in EveryDay staff too.

Improving Talent Management and Career Paths

- Our Transformation Programme enabled us to strengthen integrated working within the organisation to improve customer information and access to services, and to better support our staff.
- We strengthened and trained our Management Team in systems management for consistency, developed a new Co-ordination Team to improve support to Customers and we re-trained our Team Leaders to better support their own staff teams in the locale
- A new Career Escalator programme has been identified to provide staff with a clear career pathway and support for those who want to develop their roles in health and social care
- We introduced a new Appraisal System which provides more focus on identifying and managing talent within the organisation alongside performance, behaviours and competency expectations.

Continuing Commitment to Learning and Development

- We were reassessed for the Investor in People Award with a focus on staff engagement and were delighted to be assessed at Silver Standard.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT INCORPORATING THE STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

- 55 progressed through Level 2, 3 and 5 Apprenticeships in Health & Social Care and Leadership & Management during the year

Improving Health and Wellbeing

- We are working to achieve the Better Health at Work Award to Bronze level
- The HR Team delivered 12 Health & Wellbeing Campaigns including smoking cessation, bowel cancer, mental health and alcohol awareness

Improving Employee Engagement.

- We developed and implemented an Employee Engagement Forum with 12 staff representatives from across the organisation to improve engage with staff for ideas for change and improvements to working practices. This has included reviewing the Recruitment and Selection process for Care staff and ideas for improving Reward and Recognition.
- We invested in four new Citroen C1 Cars as recommended by the Forum for use by care staff who can drive but do not have a car available to them.
- Our Annual Staff Satisfaction survey, which was carried out as part of our IIP assessment, demonstrated that we scored high against the industry average in all 9 Indicators.
- The Chief Executive continued to provide monthly Briefings to keep staff informed of the organisations performance, new initiatives and events and other key changes and challenges

We also maintained the following **QUALITY STANDARDS in 2016-2017:**

- ISO9001
- CHAS

Aim 6: Commit to the Age UK Shared Strategy and developing effective partnerships with a range of organisations

Demonstrating Commitment to Age UK Brand Partnership Agreement/Shared Strategy

- Continued to be a shareholder and active Director of Age UK North of Tyne & Gateshead Enterprises Limited with Age UK Gateshead and Age UK Newcastle. This company is owned by the three Charities and aims to provide an unrestricted income for the respective Charities through the sale of Age UK financial products and services
- Explored opportunities for collaboration with Age UK Northumberland and Age UK Newcastle which resulted in a six month Finance Pilot to share a Finance Team with Age UK Newcastle. Unfortunately this proved not to be successful, at that point in time, for either organisation. All three organisations continue to remain open to identifying future opportunities to collaborate and meet periodically.

.Developing new partnerships to strengthen services to older people

- The new Time Bank Project is delivered through a new partnership with Collingwood GP Surgery
- We developed an existing partnership with NHS England to expand our work with older prisoners at HMP Northumberland in partnership with Age UK Teesside to another four prisons in the region and have been commissioned to prepare an Older Persons Strategy for NE and Cumbria prisons. Both pieces of work will be implemented in 2017-2018.
- We partnered with the Riverside Group to support them to deliver their domiciliary care at Weetslade Court (their new Extra Care Housing Scheme).
- We commissioned Plan B to review our asset base to identify potential efficiencies and a suitable site to develop a specialist Dementia Resource Hub for the borough.

Developing and sharing best practice models.

- We have continued to work with Age UK, North Tyneside CCG, Northumbria Healthcare, TyneHealth and North Tyneside Council to position the Living Well/ Care Plus pilot for future commissioning. The pilot aims to support frail older people to live more independently, increase their wellbeing and reduce demand on health and social care services.
- Senior staff have been active members of a national Age UK group reviewing domiciliary care and nursing and how future models could support the integration of health and social care to better support older people receiving these services in the community.
- We maintained our partnership with Tyneside Mind and Percy Hedley to deliver the Social Prescribing Service and successfully developed a new service model with Commissioners to ensure value for money by combining two contracted services into one.

ORGANISATION FINANCIAL REVIEW

Overview

We had a satisfactory year accruing a surplus (before gains/losses on the pension scheme) of £5,152 compared to a deficit of £227,572 in 2016. A deficit of £465,315 was originally projected for the year, however, a Cost Reduction Programme and successful Income Generation Plan ensured a positive result was achieved at the year end.

Incoming resources

Total incoming resources for 2016-2017 were £4.7m compared to £4.5 million in 2015 -2016. The increase was mainly attributable to an increase in turnover EveryDay Professional Care at Home services. Our charitable income generation target for the year was £223k and we ended the year achieving £172k.

Assets

The charity's assets are being held to enable it to carry out its objectives. The movements in fixed assets during the year are set out in note 17 to the accounts.

Investments

The Articles of Association state that in furtherance of the objects the charity shall have the power to "invest monies not immediately required for its purpose in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions if any and such consents if any as may for the time being be imposed or required by law".

Foster Denovo had delegated responsibility to manage our portfolio until 28 February 2017 when it was agreed to realise the portfolio into cash. There are no investments held at 31 March 2017, other than the investment in Life Choices Plus Limited, Age UK North Tyneside Trading Limited and Age UK North of Tyne & Gateshead Enterprises Limited. (See note 15).

Pension

Age UK North Tyneside has complied with FRS 17 and disclosed its proportion of the Age UK Final Salary Scheme liability. The Age UK Retirement Benefit Scheme has provided participating employers with their breakdown of the assets and liabilities. (See note 11 and 23). The defined benefit scheme is closed to new entrants and the actuarial valuation of the scheme deficit at 31 March 2017 is £324,000 with an increase in the liability over the year of £70,000. In order to address the deficit the charity is required to make additional payments of £4,036 per month over 123 months.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT INCORPORATING THE STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Trading subsidiary and associated companies

The organisation has two wholly owned subsidiary companies Age UK North Tyneside Trading Limited and Life Choices Plus Limited, trading as EveryDay and an associated company Age UK North of Tyne & Gateshead where the charity owns 33.33% of the shares.

Age UK North Tyneside Trading Limited did not trade during the year and holds £3,221 in its funds.

Life Choices Plus Limited made a charitable donation at the end of the year of £94,703, and Age UK North of Tyne & Gateshead donated £6,750 in profits to each of Age UK North Tyneside, Age UK Newcastle and Age UK Gateshead at the end of the year, totalling £20,250

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The charity's governing documents are its Articles of Association.

Organisational structure

The charity is managed on behalf of the Trustees by the Group Chief Executive, Alma Caldwell. Alma is supported by Dawn McNally, Group Deputy Chief Executive who acts as Chief Operating & Financial Officer leading a Senior Leadership Team including a Head of Finance, Head of Corporate Support, Head of Marketing & Communications, Head of Care at Home, Head of Wellbeing & Prevention and Head of Community Services.

Employment policies

The charity operates a number of key employment policies including Equality & Diversity and Health & Safety.

Auditors

Tait Walker were re-appointed as auditors in accordance with section 487 of the Companies Act 2006 at the Annual General Meeting on 25 October 2016.

Board of Trustees/Company Directors

The body responsible for the governance of the charity is the Board of Trustees who are also Directors under company law. The Board meets at least six times a year and holds Joint Board Meetings with its wholly owned subsidiary company, Life Choices Plus twice each year in March and November. Trustees are elected for a recurring three year term (maximum nine years agreed from April 2015) and the Chair for a maximum of two three year terms. The Board can comprise of up to 15 members including three co-optees and the Honorary Officers. The Trustees who served during the year are listed on the inside front cover of this report.

None of the Directors hold shares in either of the subsidiary companies. The Board of Trustees may appoint persons to fill any casual vacancies that occur during the year amongst elected members of the board, such appointments to terminate at the end of the term for which the original member was elected.

The Board has three Sub Committees:

The Group Finance & Resources Committee meets six times a year with specific responsibilities for the management of the Groups assets and liabilities, the agreement and monitoring of the Group annual budget and management of the investment portfolio.

The Risk and Compliance Committee meets twice a year with a remit to ensure effective Risk and Quality management systems are in operation. This includes reviewing compliance with statutory requirements under Health & Safety, Equality & Diversity and Safeguarding.

The Executive Committee meets on an as and when basis and provides a mechanism for urgent decision making. This committee has not met during the year, however the Board did set up a Task and Finish Group which met monthly to monitor the Transformation and Efficiency plans for most of the year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Age UK North Tyneside for the purposes of company law) are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The Board of Trustees held its tri-annual review of its Auditors in 2017-2018. Haines Watts (HW) were the successful firm who will be appointed as auditor for the ensuing year at the Annual General Meeting in accordance with section 487 of the Companies Act 2006.

AGE UK NORTH TYNESIDE

BOARD OF TRUSTEES REPORT INCORPORATING THE STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Internal control processes implemented by the Trustees include:

- Group Risk and Compliance Committee scrutiny of the Risk Register
- A Strategic Plan and Annual Budget approved by the Trustees
- Regular consideration by the Trustees of the financial results, variances from budget, forecasts and performance indicators
- Delegation of authority and segregation of duties
- Identification and management of risk and statutory compliance issues including Safeguarding.

Risk

The Trustees have in place a formal Risk Management Framework and Policy to assess risks and implement risk management strategies. A Risk Register is in place which is scrutinised at monthly Senior Leadership Team meetings which can include the Risk Champion from the Board of Trustees. This meeting reports biannually to the Board through the Group Risk and Compliance Committee. An annual work programme is also in place to plan and prioritise this work.

The process identifies the types of risk the charity faces, prioritises them in terms of the likelihood of occurrence and potential impact and identifies the means of mitigating these risks.

Reserves

The Group Finance & Resources Committee, on behalf of the Board of Trustees and LCP Board of Directors, conducts an annual review of the level of reserves to ensure that reserves are sufficient to address the financial risks of the charity and its wholly owned subsidiary to ensure that there are sufficient reserves to invest in the organisations development in line with the strategic plan.

The annual review in March 2017 concluded that Age UK North Tyneside should continue to accrue designated reserves equivalent to two months normal revenue expenditure for each individual cost centre, plus potential staff redundancy costs, in cash. The Reserves Policy is reviewed annually in February/March in light of the findings and conclusions of the Risk Audit Report and the recommendations from the Budget Report.

- The surplus for the year before gains and losses on pension scheme, revaluation of fixed assets and investments was £5,153 which was made up of a £57,066 surplus on the unrestricted fund, a £27,585 deficit on the restricted fund, and a £24,329 deficit on the long term variation fund.
- Long Term Variation Fund - all of the income has been applied to fixed assets and the defined benefit pension fund. This fund can therefore not be used as if it were income. See note 20.
- Restricted Fund – the fund balances are not available for general charity use, but are only expendable in accordance with the objects declared by the donors. £2,432 was transferred into restricted funds from the designated fund to support projects where funding had ran out until additional funding could be secured. See note 21.
- Unrestricted Fund –in line with its policy, Age UK North Tyneside needs to accumulate a contingency reserve equivalent to two months normal revenue expenditure plus potential staff redundancy costs in cash which would calculate to £473,000. Bank Balances at 31 March 2017 are reported at £441,000 which leaves a shortfall of £32,000.

Designated funds

Designated reserves are shown in note 22 in the financial statements.

The charity has a number of designated funds which are for future use or to fund an exit strategy. As the charity manages a number of contracts the Trustees are forever mindful of the need to ensure these contracts if brought to an end are done so in a planned way to minimise the impact to customers.

PLANS FOR FUTURE PERIODS

Future direction, challenges, priorities and threats

2017-2018 is the third year of our 2020 Strategy and despite the ongoing financial challenges we are feeling positive about the future. 2016-2017 saw the first, albeit small, surplus made in five years and the development of some exciting new initiatives to meet the ambitions of our five year plan. We believe that due to continuing government austerity measures and the severe financial care crisis in the Health & Social Care sector that some of our five year ambitions are two years behind where we hoped to be at this point.

However, we are beginning to see 'a light at the end of the tunnel' as new initiatives come on line for example the Dementia Strategy is on track and we are well positioned for our future as the Dementia Support specialist in the borough. We aim to identify a site for a new Dementia Resource Hub and have an alternative use for the Whitley Bay Centre which was mothballed as part of 2016-2017 efficiency plan. The Age UK Integrated Care programme, Living Well has been embedded into the CCGs new Care Plus model to be fully commissioned in the second half 2017-2018. The CCG has commissioned the first of our Admiral Nurse Team on an ongoing contract basis and three of the four Housing Associations we provide Extra Care and Support to have chosen us to be their ongoing provider for the next three to five years. This secures five of the six current Schemes we support, adds an additional new Scheme (Weetslade) through the Riverside Group and we have just won a brand new NTC Extra Care Scheme 'Crossgates' which will open in July 2017.

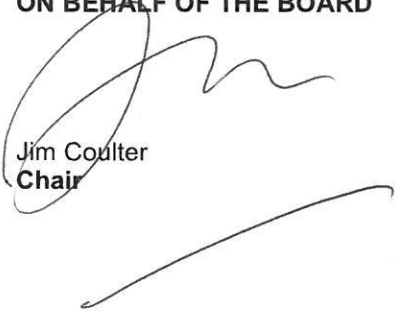
New tendering opportunities are on the horizon in South Tyneside which we are also well positioned for and our EveryDay Living (non CQC regulated care) service is expanding. Recruiting care staff remains our key challenge as people are either leaving the care industry or not choosing it as a career. It is traditionally a low paid industry but the regulations, standards and expectations of care staff have increased ten-fold in addition to older people living longer at home and with more complex, long-term medical conditions.

It has again been difficult to confirm a budget for 2017-2018 due to Local Authorities delaying any increase to commission rates to accommodate the New Living Wage. We have however, agreed to set ourselves another challenging break even budget. Achieving this will depend on how successful we are in reaching our new Income Generation target of £274k and any price increases for commissioned Local Authority services.

We remain confident that with strong Board involvement and experienced Executive and Senior Leadership Teams that the ongoing challenges will be well managed and any difficult decisions will be taken if necessary to ensure that the future security and viability of the charity is sustained. We do have the challenge of finding a new Chairperson to replace me as I step down as planned after over 4 years at the AGM in October 2017. We are also recruiting for three new Trustees to replace those who left during the year. The new Chair will be crucial to leading the Board well to maintain its momentum, strong governance and vision whilst working effectively with the Group Chief Executive, Deputy Chief Executive and the Senior Leadership Team to achieve the organisations vision and ambitions for older people.

I wish the organisation every success in its future.

ON BEHALF OF THE BOARD



Jim Coulter
Chair

AGE UK NORTH TYNESIDE

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF THE CHARITABLE COMPANY

FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Age UK North Tyneside for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, set out on page 9 the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF THE CHARITABLE COMPANY

FOR THE YEAR ENDED 31 MARCH 2017

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Board of Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board of Trustees Report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Trustees Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Signed: 

15.12.17

SIMON BROWN ACA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants
& Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Tait Walker LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

AGE UK NORTH TYNESIDE

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2017

The principal accounting policies adopted, judgements and key sources of estimating in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity has also taken advantage of section 1A of FRS102.

Age UK North Tyneside meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The trustees have prepared budgets and forecasts which give them adequate comfort that the charitable company and other group companies are a going concern. Therefore the trustees are of the view that the charitable group has sufficient resources for at least the next 12 months (from the date of approving the financial statements). As a result the charitable group's financial statements have been prepared on a going concern basis.

Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertakings, Age UK North Tyneside Trading Limited and Life Choices Plus Limited, drawn up to 31 March each year on a line-by-line basis. No Income and Expenditure account is presented for Age UK North Tyneside as permitted by section 408 of the Companies Act 2006.

Fixed Assets

All fixed assets are initially recorded at cost. Items under £500 in value are generally not capitalised. A policy of revaluation has been applied to fixed assets so that they are held at a market value, which is deemed to be their fair value.

The cost of fixed assets is depreciated over the expected useful lives of the assets as follows:

Freehold Land		not depreciated
Freehold/leasehold buildings	1.0%	straight line basis
Equipment	12.5%	straight line basis
Fixtures & fittings	12.5%	straight line basis
Office equipment	12.5%	straight line basis
Motor vehicles	25.0%	reducing balance basis
Computer equipment	33.3%	straight line basis

Amortisation is calculated to write down the cost less estimated residual value of all leases capable of exceeding 25 years, as follows:

Long leasehold	100 years or lease term if less
----------------	---------------------------------

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstance indicate the carrying value may not be recoverable.

AGE UK NORTH TYNESIDE

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Stocks

Stock are stated at the lower of cost and net realisable value after making provision for any obsolete or slow moving item.

Debtors

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

Investments

Quoted Investments are included at market value. Any change in market value is shown as a gain or loss on investments in the Statement of Financial Activity below. Other investments are included in the financial statements at cost less provision for any permanent diminution in value.

Cash at Bank and in Hand

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

Creditors and Provisions

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

Financial Instruments

The charitable group only has financial assets and liabilities of a kind that quantify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Assets held under finance leases, which are leases where substantially all of the risks and rewards of ownership of the asset have passed to the company and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of the future obligations under the leases and hire purchase contracts are included in liabilities in the balance sheet. The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and hire purchase contracts and represents a constant proportion of the balance of capital repayments outstanding.

Corporation Tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. The group companies relieve their tax liability by making Gift Aid payments to the parent charity within nine months of the year end.

Pension costs

For defined benefit schemes the amount charged to the Statement of Financial Activity (SOFA) in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from the cost. The interest cost and expected return on assets are included within the SOFA.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value at a current rate of return on a high quality corporate bond of equivalent term and currency.

AGE UK NORTH TYNESIDE

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Pension scheme assets are measured at fair value at the balance sheet date. Full actuarial valuations, by a professional actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date.

The pension scheme deficit is recognised in full at the balance sheet date.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the SOFA.

For contribution benefit schemes the amount charged to the SOFA in respect of pension costs represents the amount payable by the charity in respect of the year.

Donations

Donations represent cash received in respect of specific and general donations during the year.

Legacies

Legacies have been recognised when Age UK North Tyneside is notified of its legal entitlement, the amount is quantifiable and its ultimate receipt is confirmed.

Grants

Grants of a revenue nature are credited to income in the period to which they relate.

Designated funds

Designated funds are amounts which have been put aside at the discretion of the trustees and are therefore not available for other purposes.

Restricted funds

Restricted funds represent grants, donations, legacies and assets which are allocated by the donor for specific purposes.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from Government and other grants, whether "capital" or "revenue", is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided).

Interest receivable is recognised on a receivable basis, when the amount can be measured reliably – this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities includes income received under contract or where the entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods and services are provided). Grant income included in this category provides funding to support customer service activities and is recognised where there is an entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not yet met.

AGE UK NORTH TYNESIDE

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Expenditure

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

Costs of raising funds are comprised of direct fundraising costs and investment Management costs.

Expenditure on charitable activities includes the costs associated with the provision of customer support services and includes both the direct and support costs relating to the activities of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back off costs, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the Support Costs note.

Operating Leases

The charity and the group classify the leasing of equipment as operating leases; the title to which remains with the lessor and the expected economic life of the lease.

Funds Structure

The charity has restricted funds to account for the donor requiring that the donation must be spent on a particular purpose. All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in the Reserves Notes.

Joint Venture

The result of the joint venture (a non-charitable trading company) is shown below:

	2017 £	2016 £
Trading Commission and Fees	<u>149,785</u>	<u>175,912</u>
Operating Expenses	111,406	130,985
Service Charges	17,960	31,116
Gift Aid to Charities	<u>20,250</u>	<u>13,800</u>
	<u>149,616</u>	<u>175,901</u>
Profit on Ordinary Activities before taxation	163	11
Tax on profit on ordinary activities	<u>(31)</u>	<u>(178)</u>
Profit/(Loss) for the year	<u>132</u>	<u>(167)</u>

The charity's share of the net profit is shown in a separate line in the consolidated SOFA, either as a gain under "income" or a loss under "expenditure"

AGE UK NORTH TYNESIDE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY

AT YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted Fund	Restricted Fund	Long Term Variation Fund	Total 2017	Total 2016
		£	£	£	£	£
Income and Endowments from:						
Donations and Legacies	2	14,908	10,126	-	25,034	26,656
Other Trading Activities	3	247,168	3	-	247,171	117,857
Investments	4	52,773	-	-	52,773	2,089
Charitable activities	5	4,042,211	362,786	-	4,404,997	4,290,444
Other		1,195	2,498	-	3,693	32,636
Total Income		4,358,255	375,413	-	4,733,668	4,469,682
Expenditure on:						
Donations and Legacies						
Other Trading Activities		1,516	-	-	1,516	6,172
Investments		1,820	-	-	1,820	5,378
Charitable Activities	6	4,295,299	402,689	24,329	4,722,317	4,664,837
Other		2,554	309	-	2,863	4,005
Total Expenditure		4,301,189	402,998	24,329	4,728,516	4,680,392
Net (Losses)/Gains on Investments		-	-	-	-	(16,862)
Net Result		57,066	(27,585)	(24,329)	5,152	(227,572)
Transfer between funds	18	(2,432)	2,432	-	-	-
Gain on Revaluation of Fixed Assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension scheme	20	-	-	(70,000)	(70,000)	129,000
Net movement in funds		54,634	(25,153)	(94,329)	(64,848)	(98,572)
Fund balances brought forward at 1 April 2016		625,765	63,275	832,179	1,581,219	1,619,791
Fund balances carried forward at 31 March 2017		680,399	38,122	737,850	1,456,371	1,521,219

There were no unrecognised gains or losses other than the surplus/deficit for the year. The accompanying accounting policies and notes form an integral part of these financial statements.

AGE UK NORTH TYNESIDE

CONSOLIDATED BALANCE SHEET

AT YEAR ENDED 31 MARCH 2017

	Notes	Group 2017	Group 2016	Charity 2017	Charity 2016
		£	£	£	£
Fixed assets					
Tangible assets	11	1,374,180	1,395,828	1,330,376	1,360,714
Investments	12	-	519,373	18	102,134
		<u>1,374,180</u>	<u>1,915,201</u>	<u>1,330,394</u>	<u>1,462,848</u>
Current assets					
Stocks	13	8,480	10,896	1,825	2,157
Debtors	14	487,659	303,908	401,055	406,378
Cash at bank and in hand		437,439	213,847	122,184	82,722
		<u>933,578</u>	<u>528,651</u>	<u>525,064</u>	<u>491,257</u>
Creditors: amounts falling due within one year	15	(405,285)	(538,633)	(243,948)	(340,360)
Net current assets		<u>528,293</u>	<u>(9,982)</u>	<u>281,116</u>	<u>150,897</u>
Total assets		<u>1,902,473</u>	<u>1,905,219</u>	<u>1,611,510</u>	<u>1,613,745</u>
Creditors: amounts falling due in more than one year	16	(122,102)	(130,000)	(122,102)	(130,000)
Net assets excluding pension liability		<u>1,780,371</u>	<u>1,775,219</u>	<u>1,489,408</u>	<u>1,483,745</u>
Defined benefit pension scheme liability	20	(324,000)	(254,000)	(324,000)	(254,000)
Net assets including pension liability		<u>1,456,371</u>	<u>1,521,219</u>	<u>1,165,408</u>	<u>1,229,745</u>
The funds of the charity:					
Restricted income funds	18	38,122	63,275	38,122	63,275
Unrestricted income funds					
Non charitable trading fund 1	19	3,221	3,279	-	-
Non charitable trading fund 2	19	287,742	287,742	-	-
Designated Funds	19	389,436	334,744	389,436	334,291
Long Term Variation Fund	17	737,850	832,179	737,850	832,179
		<u>1,418,249</u>	<u>1,457,944</u>	<u>1,127,286</u>	<u>1,166,470</u>
Total unrestricted funds		<u>1,418,249</u>	<u>1,457,944</u>	<u>1,127,286</u>	<u>1,166,470</u>
Total charity funds		<u>1,456,371</u>	<u>1,521,219</u>	<u>1,165,408</u>	<u>1,229,745</u>

The financial statements were approved by the Board of Trustees on 13 September 2017 and are signed on their behalf by:

.....
J E Coullier, Chair

.....
R D Merton, Treasurer

Company registration number: 01763579

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

The accompanying accounting policies and notes form an integral part of these financial statements.

1. Cashflow Statement

	Note	2017 £	2016 £
Cash flows from Operating Activities			
Net cash (used in) / provided by operating activities	10	(280,647)	(35,123)
Cash Flows from Investing Activities			
Purchase of tangible fixed assets	11	(58,125)	(45,234)
Proceeds from disposal of fixed asset investments	12	570,262	53,149
Net cash provided by investing activities		(58,125)	7,915
Cash Flows from Financing Activities			
Repayment of borrowings		(7,898)	(10,000)
Net cash used in financing activities		(7,898)	(10,000)
Change in Cash and Cash Equivalents		223,592	(37,208)
Cash and Cash Equivalents at the beginning of the year		213,847	251,052
Cash and Cash Equivalents at the end of the year		437,439	213,847
Analysis of Cash and Cash Equivalents		437,839	213,847

2. Donations and Legacies

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2017 £	2016 £
Donations	11,092	10,126	-	21,218	25,185
Legacy	-	-	-	-	-
Sponsorship	3,816	-	-	3,816	1,471
	<u>14,908</u>	<u>10,126</u>	<u>-</u>	<u>25,034</u>	<u>26,656</u>

2016: Unrestricted £18,808, Restricted £7,848

3. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2017 £	2016 £
Sale of Sundry Items	147	3	-	150	1,078
Income from Catering	84,321	-	-	84,321	40,065
Rental Income from Assets	49,138	-	-	49,138	15,675
Income from Events	339	-	-	339	9,642
Income from Training and Support Services	106,473	-	-	106,473	37,347
Age UK Shop Profits	-	-	-	-	9,450
Net Interest in the Result of Joint Venture	6,750	-	-	6,750	4,600
	<u>247,168</u>	<u>3</u>	<u>-</u>	<u>247,171</u>	<u>117,857</u>

2016: Unrestricted £117,857

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2017 £	2016 £
Bank Interest	691	-	-	691	1,835
Investment Returns	52,082	-	-	52,082	254
	<u>52,773</u>	<u>-</u>	<u>-</u>	<u>52,773</u>	<u>2,089</u>
2016: Unrestricted £2,089					

5. Charitable Activities Income Analysis

	Unrestricted Funds £	Restricted Funds £	Capital Funds £	2017 £	2065 £
Charitable Trust Grants	64,487	285,393	-	349,880	315,715
Contracts/SLA Income	3,343,020	75,641	-	3,418,661	3,289,246
Tenants Contribution & Housing Benefit	197,682	-	-	197,682	120,200
Direct Payments	138,729	-	-	138,729	146,632
Private Individuals	298,293	1,752	-	300,045	418,651
	<u>4,042,211</u>	<u>362,786</u>	<u>-</u>	<u>4,404,997</u>	<u>4,290,444</u>

2016: Unrestricted £3,960,042, Restricted £330,402

6. Net income from trading activity of subsidiary companies and associate company

The charity has two wholly owned subsidiaries which are registered in England and Wales. **Age UK North Tyneside Trading Limited** ceased trading in 2012 and **Life Choices Plus Limited** provides home care and catering services to adults of all ages.

Life Choices Plus Limited donated £94,703 (2016: £Nil) of its taxable profit to Age UK North Tyneside. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies.

A Summary of the Trading Results is shown below:

	2017 £	2016 £
Turnover	3,353,844	3,163,392
Cost of sales and administration expenses	(3,259,141)	(3,158,026)
Net profit	94,703	5,366
Amount gifted to charity under gift aid for the financial year	(94,703)	-
Retained by subsidiary at the year-end	-	5,366

A Summary of the Balance Sheet is shown below:

Fixed Assets	43,802	452,363
Current Assets	674,845	335,721
Current Liabilities	(430,905)	(500,342)
Net Current Liabilities	243,940	(164,621)
Net Assets	287,742	287,742

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

Age UK North of Tyne & Gateshead Enterprises Limited donated £6,750 (2016: £4,600) of its taxable profit to Age UK North Tyneside, Age UK Newcastle and Age UK Gateshead, totalling £20,250. A summary of the trading results is shown below. Audited financial statements will be filed with the Registrar of Companies.

A Summary of the Trading Results is shown below:	2017 £	2016 £
Turnover	149,785	175,912
Cost of sales and administration expenses	(129,403)	(162,279)
Net profit	20,382	13,633
Amount gifted to charity under gift aid for the financial year	(20,250)	(13,800)
Retained by associate at the year-end	132	(167)
A Summary of the Balance Sheet is shown below:		
Fixed Assets	5,156	6,067
Current Assets	30,943	39,438
Current Liabilities	(34,965)	(44,534)
Net Current Liabilities	(4,022)	(5,096)
Provision for Liabilities	(209)	(178)
Net Assets	925	793

7. Charitable Activities

	Unrestricted	Restricted	Long Term Variation Fund	Total 2017	Total 2016
Staff & Volunteer Costs	3,522,500	321,571	-	3,844,071	3,721,594
Premises Costs	251,452	9,377	-	260,829	268,335
Overhead Costs	138,199	12,216	-	150,414	187,055
Motor Vehicle Costs	61,867	520	-	62,837	173,504
Depreciation	54,589	529	24,329	79,447	79,113
Marketing & Promotion	60,937	500	-	61,437	56,762
Food & Provisions	55,820	1,236	-	57,056	67,350
Audit Fees	16,800	-	-	16,800	8,194
Legal & Professional Fees	36,331	11,496	-	47,827	53,263
Project & Development Work	14,927	3,988	-	18,914	35,947
Sundry Purchases for Re-Sale	44	286	-	330	13,720
Management Charge	69,282	29,654	-	98,936	-
Service Charge	12,551	11,316	-	23,867	-
	4,295,299	402,689	24,329	4,722,317	4,664,837

2016: Unrestricted £4,350,893, Restricted £287,549, Long Term Variation Fund £26,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

8. Analysis of staff costs, Trustee remuneration and expenses, and the cost of Key Management Personnel

Total salary costs analysed by	2017 £	2016 £
Wages and salaries	3,443,616	3,198,296
National Insurance Contributions	196,868	220,033
Pension Contributions	83,901	78,163
	3,724,385	3,496,492

One employee earned more than £60,000 during the year. Their salary was between £60,000 and £70,000.

There is trustee and individual liability indemnity insurance in place for trustees, with Hiscox with a policy limit of £1,000,000 in the aggregate including costs.

The charity reimbursed trustees expenses amounting to £nil (2016: £101).

No trustee received any remuneration (2016: £nil).

The key management personnel of the parent charity comprise the Trustees, Group Chief Executive, Group Deputy Chief Executive and Leadership Team. The total employee benefits of the key management personnel of the parent charity were £288,923, (2016: £332,234)

The key management personnel of the group, comprise those of the charity and the key management personnel of its wholly owned subsidiary Life Choices Plus Ltd. The key management personnel of the subsidiary company are the Head of Care at Home whose employee benefits total £38,765, (2016: £38,765)

The costs above exclude any sub contracted employee costs which make up the employment costs within Charitable Activities and Governance.

The average headcount of persons employed by the group (including casual and part time) during the year was:

Staff numbers:	2017 No.	2016 No.
Executive Team	2	2
Leadership Team	5	5
Managers	9	10
Co-ordinators	12	16
Officers	44	27
Assistants	203	208
	275	268

9. Net income/Expenditure for the year

The group surplus/(deficit) is stated after charging/(crediting)	2017 £	2016 £
Depreciation- Owned Assets	79,772	79,111
Auditor's Remuneration for the Group	11,400	8,400
Operating Lease Costs	6,338	6,338
Loss on Disposal of Fixed Assets	-	4,311
Surplus on Sale of Fixed Asset Investments	(50,889)	-

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

10. Notes to Cashflow

Reconciliation of net income / (expenditure) to net cash flow from operating activities:

	2017 £	2016 £
Net (expenditure) for the reporting period (as per SOFA)	5,152	(227,572)
Adjustments for:		
Depreciation	79,772	79,111
Realised loss on disposal of fixed assets	-	4,311
Unrealised (gain)/loss on revaluation of investments	(50,889)	14,376
Increase in value of investment in Joint Venture	-	(254)
Decrease/(Increase) in stock	2,416	(2,655)
(Increase)/Decrease in debtors	(183,751)	78,023
(Decrease)/Increase in creditors	(133,347)	(14,227)
Net cash (used in) / provided by operating activities	(280,647)	(35,123)

11. Tangible fixed assets**Group**

	Land & Buildings	Fixtures & Fittings	Office Equipment	Equipment	Computer Equipment	Motor Vehicles	Total
Cost or Valuation							
At 1 April 2016	1,663,837	112,009	87,124	60,007	178,203	26,473	2,127,653
Additions	0	7,530	6,778	4,654	22,163	17,000	58,125
Disposals	0	520	2,243	0	1,193	0	3,956
At 31 March 2017	1,663,837	119,019	91,659	64,661	199,173	43,473	2,181,822
Depreciation							
At 1 April 2016	383,230	93,295	74,925	37,495	127,115	15,765	731,825
Charge for the Year	26,112	6,439	2,961	7,627	32,402	4,231	79,772
Disposals	0	520	2,243	0	1,193	0	3,956
At 31 March 2017	409,342	99,214	75,643	45,122	158,324	19,996	807,641
Net Book Value at 31 March 2016	1,280,607	18,714	12,199	22,512	51,088	10,708	1,395,828
Net Book Value at 31 March 2017	1,254,495	19,805	16,016	19,539	40,849	23,477	1,374,180

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

Charity

	Land & Buildings	Fixtures & Fittings	Office Equipment	Equipment	Computer Equipment	Motor Vehicles	Total
Cost or Valuation							
At 1 April 2016	1,663,837	85,738	84,881	21,322	158,416	11,800	2,025,994
Additions	0	2,346	6,778	0	22,163	0	31,287
Disposals	0	0	0	0	0	0	0
At 31 March 2017	1,663,837	88,084	91,659	21,322	180,579	11,800	2,057,281
Depreciation							
At 1 April 2016	383,230	73,872	72,682	9,519	116,774	9,203	665,280
Charge for the Year	26,112	2,897	2,959	2,379	26,628	649	61,624
Disposals	0	0	0	0	0	0	0
At 31 March 2017	409,342	76,769	75,641	11,898	143,402	9,852	726,904
Net Book Value at 31 March 2016	1,280,607	11,866	12,199	11,803	41,642	2,597	1,360,714
Net Book Value at 31 March 2017	1,254,495	11,315	16,018	9,424	37,177	1,948	1,330,376

Of the net book value for land & buildings at 31 March 2017 £20,617 (2016: £21,465) relates to long leasehold and £1,233,878 (2016: £1,259,142) to freehold.

Comparable historical cost for the land and buildings included

Comparable historical cost for the freehold land and buildings included at valuation:

	£
Cost	
At 1 April 2016 and 31 March 2017	1,235,652
Depreciation	
At 1 April 2016	301,330
Charge for the year	12,357
Disposals	-
At 31 March 2017	313,687
Net book value at 31 March 2017	921,965
Net book value at 31 March 2016	934,322

A market valuation was conducted in May 2015 by Rickard Chartered Surveyors who are FRICS qualified surveyors. The properties were valued subject to Pre-Planning advice received from North Tyneside Council. The properties were valued at £1,307,000 and the NBV was updated during the year ended 31 March 2015 to reflect the current market value.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

The Bradbury Centre, Whitley Bay Centre and Park Studio had a net collective gain on revaluation in 2015 of £381,124.

Cedar Grove was subject to an impairment in 2015 of £28,556 which was reflected in the depreciation charge for that year.

At 31 March 2017 the revaluation reserve balance remaining amounted to £313,687 after accounting for the annual transfer of the excess depreciation charge of revalued amount over historical cost.

12. Investments

Investments comprise units held within a managed fund.

The managed fund is a called 'HC Sequel Cautious Target Return Strategy Fund – Standard Class B. At the year end the group held no units (2016: 477,606 units). The investment managers have provided the following analysis of investments within the managed fund:-

The historic cost of investments is £Nil (2016: £477,607).

	Group 2017	Group 2016	Charity 2017	Charity 2016
Quoted Investments				
Market Value at 1 April 2016	519,373	585,981	101,862	157,169
Net Unrealised investment gains/(losses)	-	(14,376)	-	(3,085)
Realised Profit on Disposal	50,889	(2,232)	44,122	(2,222)
Additions	-	-	-	-
Disposals	(570,262)	(50,000)	(145,984)	(50,000)
Market Value at 1 April 2016	-	519,373	-	101,862
Investment in Wholly Owned Subsidiary Companies				
Age UK (North Tyneside) Trading Limited	-	-	6	6
Life Choices Plus Limited	-	-	2	2
	-	-	8	8
Investment in Joint Venture				
Age UK North of Tyne & Gateshead Enterprises Limited	-	-	10	264
	-	-	10	264
Total Investments	-	519,373	18	102,134

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

Investment in Trading Joint Venture

At the year end the charity held a one third share of the joint venture company, whose results and net assets were as follows:

	£
Results for the Year to 31 March 2017	342
Net Assets at 31 March 2017	1,135
Share of Net Assets	378

13. Stocks

	Group 2017	Group 2016	Charity 2017	Charity 2016
Consumables	<u>8,480</u>	<u>10,896</u>	<u>1,825</u>	<u>2,157</u>

14. Debtors

	Group 2017	Group 2016	Charity 2017	Charity 2016
Trade Debtors	394,837	274,807	128,409	79,649
Other Debtors	77,544	13,509	,644	12,459
Prepayments & Accrued Income	15,278	15,592	8,812	11,007
Amounts owed by Subsidiary Undertaking	-	-	263,190	303,263
	<u>487,659</u>	<u>303,908</u>	<u>401,055</u>	<u>406,378</u>

15. Creditors: amounts falling due within one year

	Group 2017	Group 2016	Charity 2017	Charity 2016
Trade Creditors	44,281	33,837	29,408	17,087
Other Creditors	38,805	80,295	26,674	57,342
Other Taxes & Social Security	15,724	43,669	21,171	22,284
Accruals	168,713	182,745	28,925	45,560
Deferred Income	127,770	188,087	127,770	188,087
Mortgage Loan	10,000	10,000	10,000	10,000
	-	-	-	-
	<u>405,293</u>	<u>538,633</u>	<u>243,945</u>	<u>340,360</u>

See note 19 re the security of the mortgage loan

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

Breakdown of deferred income – Group and Charity

	At 1 April 2016	Change in Year	At 31 March 2017
Age UK- Feldwicke Fund	20,000	20,000	-
NTC- Dementia Friendly Communities	2,343	2,343	-
Ballinger Trust	66,375	18,519	47,856
Age UK- Living Well (Care Plus)	37,166	(28,082)	65,248
Dementia UK	37,303	37,303	-
Age UK- British Gas	14,843	14,843	-
MCST	-	(4,729)	4,729
Big Lottery- Home from Hospital	10,057	120	9,937
	188,087	60,317	127,770

16. Creditors: amounts falling due after one year

	Group 2017	Group 2016	Charity 2017	Charity 2016
Mortgage Loan	122,102	130,000	122,102	130,000
	122,102	130,000	122,102	130,000

The mortgage loan was taken out with Barclays Bank plc in April 2010 to purchase Park Studios and carry out refurbishment works to the Whitley Bay Centre. The mortgage is repayable over 20 years by way of monthly repayments. Barclays Bank plc have a legal charge over the Bradbury Centre. Interest is charged at a variable rate at 3.35% above base rate (0.25%).

Financial Instruments

Financial instruments measured at amortised cost comprise the loan financing by Barclays Bank plc to the charitable company and group

Loan payable falling due:

	Group 2017	Group 2016	Charity 2017	Charity 2016
Within 1 Year	10,000	10,000	10,000	10,000
More than 1 Year, less than 5 Years	40,000	40,000	40,000	40,000
More than 5 Years	82,102	90,000	82,102	90,000
	132,102	140,000	132,102	140,000

The loan financing is in the form of a secured loan with a variable rate of interest. The market risk facing the charitable company and the group is that the interest rate may rise.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

17. Long term variation fund

Group and Charity

	Balance at 1 April 2016	Income	Expenditure	Other Non Trading	Balance at 31 March 2017
Project					
The Bradbury Centre	542,836	-	8,392	-	534,444
Cedar Grove Wellbeing Centre	195,411	-	11,299	-	184,112
The Whitley Bay Centre	347,932	-	4,637	-	343,295
Final Salary Pension Scheme Liability	(254,000)	-	-	(70,000)	(324,000)
	832,179	-	24,329	(70,000)	737,850

The long term variation fund is representative of the long term net assets held by the group and charity. It includes capital assets and the final salary pension scheme liability.

The Bradbury Centre was purchased in March 2005 for £300,000 with a donation from the Bradbury Foundation.

The refurbishment of Cedar Grove Day Centre was funded by the Community Fund and the Victor Mann Trust in 1997.

If there was a future requirement to settle the final salary pension scheme liability in one instalment, the value of the assets in the long term variation fund would be realised.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

18. Restricted funds

Group and Charity

The income funds of the charity include restricted funds comprising of the following unexpended balances of donations and grants held on trusts to be applied for specific purposes.

	Balance at 1 April 2016	Income	Expenditure	Other Non Trading	Balance at 31 March 2017
Big Lottery- FAAF	5,212	-	-	-5,212	-
Health & Social Care Volunteering Fund	2,201	-	-	-2,201	-
NTC- Community First LAA	1,402	-	-	-1,402	-
GDF Energy	7,458	152,080	178,888	19,349	-
NTC- Winter Pressures	136	-	-	-136	-
Department of Health- Older Offenders	622	25,000	26,911	1,289	-
Northern Rock- Dementia Connect	795	-	-	-795	-
Ballinger Trust- Dementia	4,430	117,252	123,456	1,775	-
Urban Arts	39	-	-	-39	-
Big Lottery- Home from Hospital	30,784	59,743	53,212	-	37,315
Age UK- Living Well (Care Plus)	7,045	-	-	-7,045	-
NTC- Dementia Friendly Communities	1,820	-	-	-1,820	-
Northumbria University- KTP	551	-	-	-551	-
Department of Health- Time Banking	-	21,338	20,531	-	807
Dementia Specific Fundraising	780	-	-	-780	-
	63,275	375,413	402,998	2,432	38,122

Transfers relate to amounts from unrestricted funds to meet the costs associated with restricted projects which are not fully met by income.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

19. Unrestricted funds

<u>Group</u>	Balance at 1 April 2016	Income	Expenditure	Other Non Trading	Balance at 31 March 2017
Designated					
Commercial Services	7,334	-	-	(7,334)	-
Wellbeing Centres	63,348	-	-	(63,348)	-
Health & Wellbeing	52,237	-	-	(52,237)	-
Community Services	14,692	-	-	(14,692)	-
Corporate Services	5,000	-	-	(5,000)	-
Governance	3,038	-	-	(3,038)	-
Customer Services	24,154	-	-	(24,154)	-
Charity Services	-	1,005,658	1,404,257	169,803	(228,796)
Strategic Development Fund	164,941	-	-	453,291	618,232
	334,744	1,005,658	1,404,257	453,291	389,436
Non Charitable Trading Fund (1)	3,279	0	58	0	3,221
Non Charitable Trading Fund (2)	287,742	3,352,597	2,896,874	-455,723	287,742
Total Unrestricted Funds	625,765	4,358,255	4,301,189	-2,432	680,399
<u>Charity</u>					
	Balance at 1 April 2016	Income	Expenditure	Other Non Trading	Balance at 31 March 2017
Designated					
Commercial Services	7,334	-	-	(7,334)	-
Wellbeing Centres	63,348	-	-	(63,348)	-
Health & Wellbeing	52,237	-	-	(52,237)	-
Community Services	14,692	-	-	(14,692)	-
Corporate Services	5,000	-	-	(5,000)	-
Governance	3,038	-	-	(3,038)	-
Customer Services	24,154	-	-	(24,154)	-
Charity Services	-	1,005,658	1,404,257	169,803	(228,796)
Strategic Development Fund	164,941	-	-	453,291	618,232
	334,744	1,005,658	1,404,257	453,291	389,436

Transfers relate to amounts being re-designated by the trustees.

All services are holding reserves in line with the organisations reserves policy. This means that each project is holding two months normal revenue expenditure plus potential staff redundancy costs in reserve. The two months normal revenue expenditure is calculated using the projected expenditure for each project for the next financial year ending 31 March 2017.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

20. Pension

The group operates a defined benefit scheme in the UK. A full actuarial valuation of the Age Concern Retirement Benefits Scheme was carried out as at 1 April 2013 and the results of this valuation have been updated to 31 March 2016 by a qualified independent actuary.

Principal actuarial assumptions at the balance sheet date

	As at 31 March 2017 %	As at 31 March 2016 %
Discount rate	2.50	3.40
Rate of increase in payment of pre 2006 pensions	3.30	3.00
Rate of increase in payment of post 2006 pension	2.50	2.50
Rate of revaluation of deferred pensions in excess of the GMP		
Inflation assumption (RPI)	3.30	3.00
Inflation assumption (CPI)	2.30	2.00
Expected return on scheme assets		

Allowance has been made for all members to exchange 80% of the maximum cash allowance available upon retirement. The mortality assumptions are: S2P Normal base tables projected by year of birth assuming future improvements in line with CMI 2015 core projections with a long term rate of improvement of 1.0% pa. The mortality assumptions at 31 March 2017 adopted S1 Normal base tables but future improvements were assumed to be in line with CMI 2013 projections and a long term improvement rate of 0.5% pa.

The assumed life expectations on retirement at age 65

	As at 31 March 2017 Years	As at 31 March 2016 Years
Retiring today – males	86.9	86.9
Retiring today – females	88.7	88.9
Retiring in 20 years – males	88.0	88.2
Retiring in 20 years – females	90.0	90.4

Further detail is given in Note 23.

At the year end, included within Other Creditors is a balance due in respect of pension contributions totalling £2,065 (2016: £4,716).

This disclosure below is provided in respect of Age UK Retirement Benefits Scheme ("the Scheme")

A full actuarial valuation of the Scheme was carried out as at 31 March 2016 and the results of this valuation have been updated to 31 March 2017 by a qualified actuary. As required by FRS 102 the defined benefit liabilities have been measured using the projected unit method. The scheme is closed to new entrants and further benefit accrual.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

20. Pension (continued)

Major categories of scheme assets as a percentage of total assets

	2017 %	2016 %
Equities	22.9	20.2
Diversified growth	19.7	20.9
Gilts and Bonds	49.2	50.1
Property	6.9	7.8
Cash	1.3	1.0

None of the scheme's assets are invested in property or other assets used by the employer.

	2017 £'000	2016 £'000
The actual return on scheme assets for the year was	330	53

The amounts recognised in the balance sheet are as follows:

	2017 £'000	2016 £'000
Fair value of scheme liabilities	(2,410)	(2,031)
Fair value of scheme assets	2,086	1,777
Deficit in the scheme	(324)	(254)

Change in the fair value of scheme assets

	2017 £'000	2016 £'000
Opening fair value of scheme assets	1,777	1,766
Expected return on scheme assets	60	58
Actuarial (losses) / gains	270	(5)
Employer contributions	48	48
Benefits paid (including expenses)	(69)	(90)
Total market value of assets	2,086	1,777

Change in the present value of the defined benefit obligation

	2017 £'000	2016 £'000
Opening defined benefit obligation	2,031	2,149
Interest cost	68	70
Actuarial (gain) / loss arising on the scheme liabilities	371	(104)
Benefits paid (including expenses)	(60)	(84)
Liabilities in scheme at end of the year	2,410	2,031

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

20. Pension (continued)

Analysis of actuarial loss recognised in the Statement of Financial Activities

	2017 £'000	2016 £'000
Actual return less expected return on scheme assets	309	278
Experience (loss) / gain arising on scheme liabilities	(379)	(149)
Loss arising from changes in assumptions underlying scheme liabilities	-	-
Loss recognised in Statement of Financial Activities (2)	(70)	129

(1) Pension costs of £48,000 (2016: £48,000), current service cost of £8,000 (2016: £8,000) and finance income of £4,000 (2015: finance cost £2,000) are included in the income and expenditure part of the Statement of Financial Activities. The net movement in the pension liability of £70,000 (2016: £96,000) is included below Net incoming/outgoing resources.

History of experience gains and losses:

	2017 £'000	2016 £'000	2015 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of scheme liabilities	(2,410)	(2,031)	(1,978)	(1,673)	(1,506)	(1,366)
Fair value of scheme assets	2,086	1,777	1,595	1,424	1,257	1,202
Deficit in the scheme	(324)	(254)	(383)	(249)	(249)	(164)
Experience adjustments on scheme liabilities	(379)	(149)	(305)	4	(22)	28
Experience adjustments on scheme assets	309	278	171	104	(14)	12
Gain/(loss) arising from a change in assumptions	(70)	129	(96)	(144)	(92)	87

Movements in surplus during the year

	2017 £'000	2016 £'000
Deficit in scheme at beginning of the year	(254)	(383)
Movement in year		
Current service cost	(9)	(6)
Contributions	48	48
Past service costs	-	-
Curtailement gains	-	-
Other finance costs	(8)	(12)
Actuarial loss	(101)	99
Deficit in scheme at the end of the year	(324)	(254)

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

21. Company structure

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets if the company is wound up while he/she is a member or within one year of ceasing to be a member, such amount as may be required not exceeding £1.00.

22. Analysis of net assets between funds

Group 2017

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Restricted funds	-	-	38,122	-	-	38,122
Unrestricted funds						
Designated fund	268,528	-	243,010	(122,102)	-	389,436
Trading fund 1	-	-	3,221	-	-	3,221
Trading fund 2	43,802	-	243,940	-	-	287,742
Long Term Variation fund	1,061,850	-	-	-	(324,000)	737,850
	1,374,180	-	490,171	(122,102)	(324,000)	1,418,249
	1,374,180	-	528,293	(122,102)	(324,000)	1,456,371

Group 2016

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Restricted funds	-	-	63,275	-	-	63,275
Unrestricted funds						
Designated fund	309,649	519,373	(521,279)	(130,000)	-	177,743
Trading fund 1	-	-	3,279	-	-	3,279
Trading fund 2	-	-	444,743	-	-	444,743
Long Term Variation fund	1,086,179	-	-	-	(254,000)	832,179
	1,395,828	519,373	(73,257)	(130,000)	(254,000)	1,457,944
	1,395,828	519,373	(9,982)	(130,000)	(254,000)	1,521,219

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

22. Analysis of net assets between funds (continued)

Charity 2017

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Restricted funds	-	-	38,122	-	-	38,122
Unrestricted funds						
Designated fund	268,526	18	242,994	(122,102)	-	389,436
Long Term						
Variation fund	1,061,850	-	-	-	(324,000)	737,850
	1,330,376	18	242,994	(122,102)	(324,000)	1,127,286
	<u>1,330,376</u>	<u>18</u>	<u>281,116</u>	<u>(122,102)</u>	<u>(324,000)</u>	<u>1,165,408</u>

Charity 2016

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Creditors Due after One Year £	Defined Benefit Pension Scheme Liability £	Total £
Restricted funds	-	-	63,275	-	-	63,275
Unrestricted funds						
Designated fund	274,535	102,134	87,622	(130,000)	-	334,291
Long Term						
Variation fund	1,086,179	-	-	-	(254,000)	832,179
	1,360,714	102,134	87,622	(130,000)	(254,000)	1,166,470
	<u>1,360,714</u>	<u>102,134</u>	<u>150,897</u>	<u>(130,000)</u>	<u>(254,000)</u>	<u>1,229,745</u>

23. Capital commitments

There were no capital commitments at 31 March 2017 or 31 March 2016.

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

AT YEAR ENDED 31 MARCH 2017

24. Commitments under operating leases

At 31 March 2017 the company had total commitments to the end of the lease under non-cancellable operating leases as set out below

CHARITY ONLY

Operating leases which expire	2017 £	2016 £
Within 1 year	99,261	110,791
Within 1 to 5 years	188,010	277,611
> 5 Years	-	-
Total	287,271	388,402

GROUP

Operating leases which expire	2017 £	2016 £
Within 1 year	132,343	146,722
Within 1 to 5 years	198,330	298,251
>5 Years	-	-
Total	330,673	444,973

AGE UK NORTH TYNESIDE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

25. Subsidiary undertakings

At 31 March 2017 the company held more than 20% of the allotted share capital in the following undertakings:

	Country of registration	Class of share capital held	Proportion held	Nature of business	Capital & reserves at 31.3.17 £	Profit/(Loss) for the Year ended 31.3.17 £
Age UK North Tyneside Trading Limited	England & Wales	Ordinary	100.00%	Insurance Services (non-trading in period)	3,221	-
Life Choices Plus Limited	England & Wales	Ordinary	100.00%	Home Care Services	287,742	-
Age UK North of Tyne & Gateshead Enterprises Limited	England & Wales	Ordinary	33.33%	Insurance Services	925	-

26. Related party transactions

During the year the following intercompany transactions took place with Life Choices Plus Limited;

The company provided Life Choices Plus Limited with services including the hire of premises, and staffing. Amounts totalling £361,020 (2016: £361,020) for these services were recharged by the company in the year.

Amounts totalling £Nil (2016: £38,982) were charged by the company for the provision of training.

Life Choices Plus Limited donated £94,703 (2016: £Nil) to the charity. At the year end £166,166 (2016: £303,263) was due to Charity and included within intercompany debtors.

During the year, the charity received a £6,750 (2016: £4,600) donation from Age UK North of Tyne & Gateshead Enterprises Limited, a company which is 33.3% owned by the charity. At the year end £13,730 (2016: £16,542) was due to the Charity. Amounts totalling £14,795 (2016: £14,795) were received in respect of management fees and service charges from Age UK North of Tyne & Gateshead Enterprises Limited.

No further transactions have been undertaken which would require disclosure.

27. Controlling party

The members of the Board of Trustees, as subscribers, are considered to be the controlling party.