

**DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2019**



**DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019**

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DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2019

| | |
|------------------------------------|---|
| Registered charity name | Dementia Matters |
| Charity number | 1045517 |
| Company registration number | 02980817 |
| Principal office | The Bradbury Centre Darrell Street Brunswick Village Newcastle upon Tyne NE13 7DS |
| Registered office | The Bradbury Centre Darrell Street Brunswick Village Newcastle upon Tyne NE13 7DS |
| Trustees | Mr L J Ali Mr P Bell Mr R Ward Ms R Dougal Ms M Donnan Mrs L Davidson Ms B Reid |
| Secretary | Dr F Quin |
| Key Management Personnel | The board considers the following to be Key Management Personnel of the charity and have delegated the day-to-day management responsibilities: Dr Fraser Quin Andrew Howie Lindy Greenwood Hannah Stevens Rachel Fox |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

YEAR ENDED 31 MARCH 2019

Auditor

MHA Tait Walker
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers

Barclays Bank PLC
UK Banking Service Centre
PO Box 299
Birmingham
B1 3PF

Nationwide Building Society
Northampton
NN3 6NW

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During financial year 2018/19, the charity experienced three highly positive events; the rebranding of Dementia Care to Dementia Matters, the opening of the Newcastle's first Dementia Advice Centre (DAC) in December 2018 and more significantly the charity celebrated its 25th Anniversary with a conference and evening event at the Sage. This longevity is a considerable achievement for any charity, not least a local charity, which continues to have an excellent reputation in the sector, for service delivery, support and advice. Dementia Matters continues to be the only specialist dementia charity in the North East of England, providing high quality care, support and advice to our clients and their loved ones, for which both our Board of Trustees and Executive Team are proud of.

In November 2018 we once more undertook our annual feedback survey and I am pleased to report that 92% of respondents rated our services as either Good or Excellent, with more people than last year now rating our services as Excellent (46% in the previous period). Specific comments received included:

"Without the support from the Bradbury Day Centre I would not be able to cope."

"I know that I really like and trust the Bradbury staff and just don't know how I would manage certain things without their support. Besides addressing the practical 'job-to-do' side of their work, they are patient, kind, understanding and - looking for a word - Jolly! On the phone, I myself pick up on the kindness and have been given the reassurance I have needed at the time."

"Us as a family cannot fault Dementia Matters in any way you are friendly, helpful and understanding and take pride in what you do for our mother and grandmother."

The maintenance of very high approval ratings with service users and their families has been achieved during a period of significant change and reorganisation at Dementia Matters. This is very gratifying as it would have been easy to let quality of service delivery slip during challenging times for our colleagues, but this is clearly not the case. Our greatest asset in Dementia Matters continues to be our experienced, highly trained, dedicated colleagues. On behalf of the Trustees, I would like to thank each and every colleague for their dedication, support, leadership and most importantly never ending client care which is core to what makes Dementia Matters the great organisation it is - thank you.

There was a 50% response rate to our survey, down from 51% last year, with our flagship service at the Bradbury Centre achieving a high satisfaction, Fig. 1, as does the Charity as a whole, Fig. 2. Similarly all of the other services were predominantly rated as either Excellent or Good, with the lowest score of Acceptable, very much in the minority.

Our CQC rating of Good overall, with "needs improvement" for management, stands, as we have not been inspected since June 2017. We do not anticipate a further inspection until 2020. All services have a suitably qualified Registered Manager via the CQC, and CEO Fraser Quin is the "nominated individual" for Dementia Matters.

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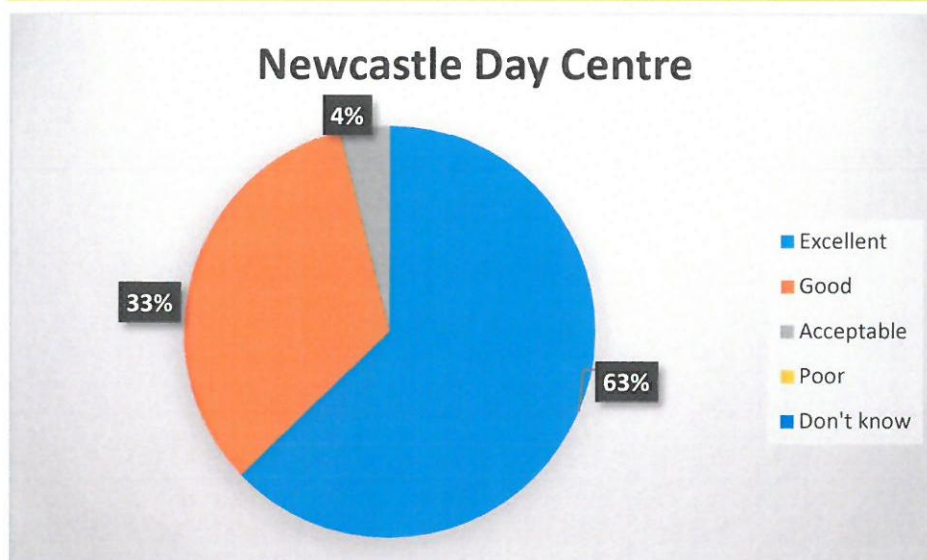


Fig. 1.

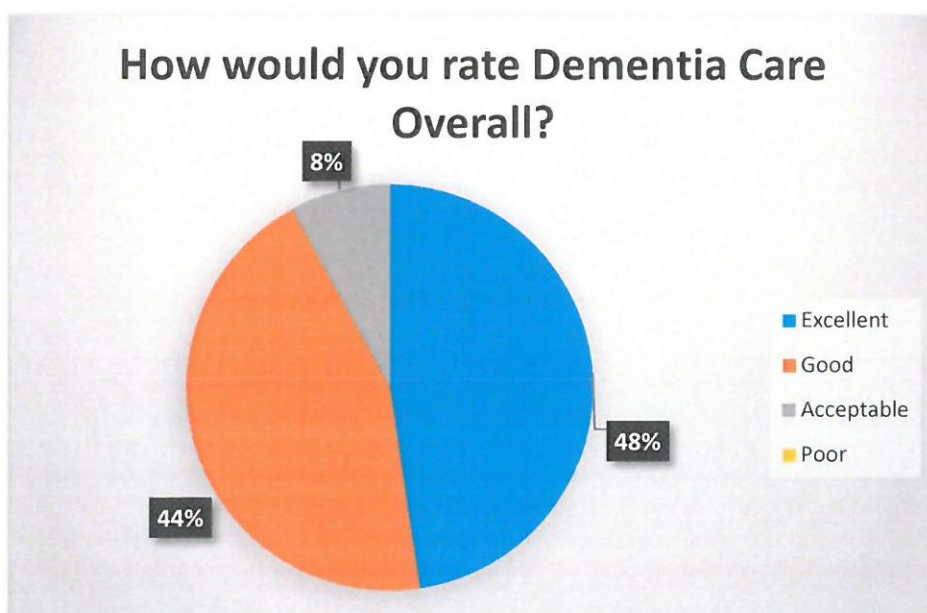


Fig. 2.

We have always recognised that the highest quality of specialist dementia care can only be delivered if we invest in training and support for our colleagues to provide the best opportunities in which to provide care. Whilst this is a significant challenge when commissioned services do not support quality and training development, Dementia Matters have continued to offer far more to our staff than the industry standard.

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I have no doubt that the next few years will bring new opportunities for Dementia Matters, in order that we can continue to deliver our main aims and objectives. I am confident that with renewed energy and enthusiasm, coupled with strong Governance and Strategy, that we can grow and develop Dementia Matters in line with our new Growth Strategy.

As I stood down as Chair as of March 2019 due to external work commitments, I am reassured that the charity is in good hands with the Board of Trustees. A new Chair will be appointed in due course with Lee Ali acting as Chair in the interim.


Lee J Ali
Acting Chair
On behalf of Professor M Livingston

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The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 and 2 of the financial statements.

THE TRUSTEES

The Trustees who served the company during the period and since the year end were as follows:

Mr L J Ali (appointed 30th April 2018)
Mrs R Dougal
Mr P J Bell
Mr R Ward
Professor M Livingston (resigned 24th June 2019)
Mr J Lee (resigned 24th June 2019)
Ms C Abley (resigned 20th May 2019)
Mr P Taylor (resigned 26th November 2018)
Mr T Chrisp (resigned 26th November 2018)
Dr M Nicholds (resigned 25th September 2018)
Mrs J C F Smith (resigned 30th April 2018)
Mrs L Davidson (appointed 30th April 2019)
Ms M Donnan (appointed 30th April 2019)
Ms B Reid (appointed 30th April 2019)

STRUCTURE and GOVERNANCE

Change of name

On the 26 September 2018 the registered charity changed its name from Dementia Care to Dementia Matters.

Nature of governing document and how the charity is constituted

Dementia Matters is a registered charity and a company Limited by Guarantee and governed by its Memorandum and Articles of Association dated 18 July 2012. The charitable company is managed by Trustees with expertise relevant to the requirements of the charity. The Trustees meet bi-monthly to monitor performance, agree resource allocation, identify and agree solutions to problems and respond to any opportunities that arise. The Chief Executive meets regularly with the Chair of Trustees to discuss performance.

Methods, policies and procedures for recruitment, appointment, induction and training of new trustees

The election of Trustees and the membership is governed by the Articles of Association of the charitable company. All our members are currently Trustees and new members are appointed by Trustee approval only. Potential Trustees are invited to attend up to three meetings as a way to get to know the charitable company before formal induction takes place. The Trustees bring with them expertise in healthcare, law, marketing, administration, general management, finance, social care or were carers or family members of people with dementia.

A skills review of the Board is currently underway and will inform the organisations of any deficiencies regarding the makeup of the Board moving forwards.

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Organisational structure and how decisions are made

The Trustees have the ultimate responsibility for establishing the strategic direction and corporate objectives of the charitable company with responsibility for day-to-day management and delivery of the corporate objectives delegated to the Chief Executive. The Chief Executive is assisted by a senior management team consisting of the Head of Services, Head of Finance, Head of HR & Training and Head of Quality. The Chief Executive meets with the Chair of Trustees regularly.

Committees of Trustees are Finance and Audit, Care and Colleagues, and Risk. An appropriate Trustee has been assigned as Chair of each Committee.

Relationship between the charity and related parties

Dementia Matters is a specialist provider of care for people with dementia and other degenerative neurological disorders. Services are commissioned by Adult Social Services departments within local councils and the local NHS CCGs. The charity enjoys good relationships with other local, national and international partners and with the Department of Health. In order to deliver on our objectives over the coming years, further relationships will be delivered with:

New area Local Authority and NHS Commissioners
Housing Associations
Building Development specialists
Academic Institutions
Like minded Charities
New funders and grant awarding trusts

Risk management

The Trustees understand the importance of assessing major risks to which Dementia Matters is exposed. There are appropriate systems, controls and procedures in place to minimise and mitigate those risks.

The following major risks to which Dementia Matters is exposed are reviewed monthly by the SMT and annually as part of a review of risk processes and policies:

- Finance (fraud, insufficient income, exceptional costs)
- Governance (Board effectiveness, recruitment or loss of Trustees and management)
- External/political (government policy changes)
- Quality & Reputation (breach of law or regulations, adverse publicity)
- Service delivery (loss of contracts)
- Growth strategy (failure to achieve long term objectives)

Dementia Matters has reviewed its organisational risk management and assessment policies and procedures. The Head of Health & Safety and Risk Management is responsible for this process, supported by the senior management team and the Trustees.

OBJECTIVES AND ACTIVITIES

POLICIES AND OBJECTIVES

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

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Summary of objects as set out in the governing document

The charitable objects are:

- a) the relief of persons who are in need as a result of dementia or other degenerative neurological disorders, acquired brain injury, mental health issues, learning, sensory or other problems arising from ageing, illness or disease;
- b) the provision of advocacy to assist such persons to obtain access to their full rights and privileges as citizens;
- c) the advancement of education amongst carers and the general public regarding dementia and other issues referred to in clause a) above.

STRATEGIES FOR ACHIEVING OBJECTIVES

In order to achieve the objectives, the charity provides home care, supported living, residential care, respite care, day services and advice and support for people with dementia and their families currently in Newcastle upon Tyne, North Tyneside and Northumberland.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES

Social care funding continues to be in a perilous state. As a charity we need to choose and operate project options much more carefully, as well as in contract negotiations with Local Authority and NHS commissioners, to ensure we only take on projects that work for Dementia Matters. Local Authority commissioned contracts are no longer managed as they were before, as they continue to seek cost savings across the sector. Local Authorities have now moved completely away from block contracts, with services eligible for Local Authority referrals now operating almost on an ad hoc basis. What this means is that there is now very little predictability around the uptake of services, although in general, demand remains high.

At a strategic level it is clear that the level of funding available for adult social care continues to be insufficient for care providers to provide the quality of care that we believe everyone should receive. A compounding factor is the inability of the Local Authority to respond to the needs of the adult care sector and care providers. The Cheshire West case and subsequent Deprivation of Liberties legislation has made the process of commissioning places in care provision much more cumbersome for Local Authorities. Whilst legislation around Deprivation of Liberties is under review, it is likely to be 5 years before a change in the law takes place, if at all.

As noted earlier in October 2018, we hosted a Dementia Conference in Newcastle, whilst launching our new name and brand at the same event. After 25 years and several name iterations, we became Dementia Matters. It was felt by colleagues and Trustees that this name better reflected what we do in the 21st Century, and that due to negative connotations associated with the word "care", it should be removed from our name. The conference attracted over 65 Health and Social Care professionals, with key-note speeches delivered by dementia specialists of national renown. The rebranding was welcomed as a huge success.

In terms of our traditional services, we now support over 600 people each year across a range of services, both in their own homes, in our dementia-specialist day and residential respite centre, and in our unique, small group, supported living long-term residential accommodation, and our Dementia Advice Centre.

The opening of the Dementia Advice Centre (DAC) in Newcastle was a huge success and between opening in December and the end of March 2019, we had more than 1,000 contacts to the service, with circa 200 actively being supported by the DAC.

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The free-to-access service provided through three specialist Dementia Guides, The Early Intervention Project, and co-funded by; Dementia Matters, Comic Relief, The Ballinger Charitable Trust and Northern Rock Foundation, will continue to be operated by the DAC, so the expertise and reputation built during this project will transfer to the DAC. The Newcastle Dementia Advice Centre will provide further coverage for our free advisory and support services in Newcastle and Gateshead.

The DAC pilot project is part funded for three years by the Ballinger Charitable Trust and will be staffed by our two Admiral Nurses, co funded by Dementia UK. Discussions are already underway with the Newcastle and Gateshead CCG's to expand the services throughout the region, and to formally embed it in the Mental Health Pathway for the NHS and Primary Care providers. This project provides a significant strategic opportunity for Dementia Matters to become a key partner of the CCG's.

In May 2018, we welcomed our first Dementia Academy intake of new trainees. The Academy was designed to meet multiple objectives around staffing, training and recruitment. The Academy is partly designed to make it more attractive for new entrants into the care sector and take candidates on a journey through to achieving the care certificate. They are fully supported during this process by experienced staff, which ensures a higher retention rate than conventional recruitment methods. This will, in part, help ease the market challenges which exists in recruitment to the care sector and should assist Dementia Matters in attracting and retaining good candidates to the sector.

Through the Academy model, training can be tailored to our needs, values, expectations and expertise. We deliver all of the basic requirements of the care sector but add the specialist training requirements that our services have. These include behaviour training, de-escalation techniques, dealing with bereavement, and so on. The Academy is firmly part of the recruitment process and helps us to identify which candidates are suitable for care and which are not, before they enter our services. This way we can measure candidates against our values and test them specifically in the work environment against them.

Once the Academy has been refined, we would expect to commercialise this opportunity and offer it to the wider care provider community.

FINANCIAL REVIEW

As reported last year, 2017/18 was year of transition for Dementia Matters. The charity, under the then new CEO Fraser Quinn, reorganised both the organisational and operating structure in order to reduce costs and increase efficiency, without compromising quality and high levels of care to our clients across all of our service provisions. At the end of this financial year, a further review of departmental and organisational structure was necessary as a result of increased financial pressures from commissioned services. The financial year 2018/19 can be described as a further transitional year for Dementia Matters.

We continue to receive financial support from The Ballinger Charitable Trust and are working with their Trustees on further initiatives which we hope to launch in the next 12 months, particularly around the expansion of Dementia Advice Centre services. In 2018, we employed our first full time fundraiser to support our CEO in identifying the funds required to deliver our strategic growth plans. It always takes time for fundraising activities to bear fruit, but several large fundraising activities are in planning, strategic partnerships have been created, and our output to Grants and Trusts has increased significantly. We would hope to see a marked increase in income via this activity in 2019/20.

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The quality of our care remains second-to-none and we now support people throughout their entire dementia journey, providing the continuity and consistency of care people tell us is really important. Against this, our financial results once again show a significant deficit for the year. Whilst this is not ideal, it reflects a conscious decision by the Trustees and management team to invest our reserves in the short term in expanding our activities, whilst continuing to collaborate with commissioners where possible to define services which are financially viable and able to provide high levels of care and support. It is likely that financial challenges will remain until 2020/21 at the earliest, but we are clear exactly where we are in terms of service sustainability, or otherwise.

Throughout financial year 2018/19 our Independent Supported Living (ISL) project was under review as it was clear that it was not performing as it had in previous years. With 94% occupancy, ISL provided a surplus to the charity, however, with the Cheshire West Case regarding deprivation of liberty the commissioning model changed, making it harder for Local Authorities to place service users into the ISL model quickly. Thus from 2017 onwards occupancy fluctuated within the service, with vacancies taking many months to fill. The average occupancy at the point where the decision was taken to close was 68% (to be finalised at the Board meeting of April 2019), meaning that revenue to not cover our expenditure, mainly in terms of staff cost.

To exacerbate this situation, recruitment into the ISL model was problematic, and throughout 2018 we had to rely heavily on agency staff to maintain the 24/7 staff coverage we were contractually obliged to provide. This elevated staff costs significantly. What this meant in brief was that a project that generated circa £1.2 million in revenue, cost in the region of £1.45 million to deliver. Therefore, in July of 2019 ISL ceased operations, with a planned return of service users to the Local Authority. The welfare of our service users during this period was paramount. As a footnote it should be noted that the senior team worked tirelessly with the Local Authority to find a solution to this issue, but to no avail.

Clarity has been reached around all of our services and we are now in discussions with the Local Authority around which contracts will remain with Dementia Matters in 2019/20 and which will be terminated on financial grounds. Our aim has always been to work with the Local Authority to make services work for all stakeholders, but where this is not possible, we are now clear which services are no longer sustainable for Dementia Matters.

We are now two years into the new tenure of the CEO, and the Charity is clearly moving in the right direction, albeit challenging financial conditions remain ahead in this coming reporting year. Significant challenges remain and cost savings within the central office will need to be made but in terms of future business expansion, the outlook for the future is optimistic, with multiple projects currently in development.

The Committee structure reinstated last year, seems to be working well and with our new Chair of the Finance and Audit Committee, Lee Ali, we have a robust financial brain from the Health Industry sector, and are confident that all of our projects will be scrutinised at the highest level.

This continuing review indicates that further consolidation will be required in 2019, in order to streamline services further. Significant changes in the commissioning policy also saw the severe decline in Supported Living Services, resulting in reduced income to the charity, whilst associated cost remained in place. After significant discussions with the Local Authority around maintaining this service, it was agreed that this service could no longer be sustained, and preparations should be made to protect against continuing losses. The decision to terminate this agreement was made at the end of this reporting period, with the exit from this service taking place in July 2019, resulting in a net benefit to the charity, despite a reduction in turnover of circa £1.2 million. The decision to remove ourselves from this contract was taken with great regret, as this is a service that the charity has delivered for 20 years, however the financial and commissioning climate has significantly changed in that time, and we will never compromise our high levels of patient care and support to meet financial constraints.

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FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

As a registered charity, the financial objectives of Dementia Matters are:

- To be financially stable at all times and to maintain sufficient reserves to achieve this.
- To be managed professionally and prudently in line with policies agreed by the Board of Trustees.
- To generate operating surpluses and to re-invest these towards the achievement of our charitable objectives.
- To control expenditure and operate efficiently.
- To monitor, control and minimise all financial and other risks.

Financial Risk Management Policy

Internal financial controls are regularly reviewed in line with guidelines set by the Charity Commission. This is the responsibility of the Audit & Finance Committee that meets bi-monthly and reports directly to the Trustees.

Investment Policy

The charity invests surplus funds in interest-bearing accounts with major UK banks and building societies to minimise risk. During the year funds were held with Barclays, Bank of Scotland and Nationwide Building Society. The funds held in the year returned on average less than 1% APR, reflecting the prudent investment policy and continued low UK interest rates. The investment policy is under continual review.

Reserves Policy

The calculation of free reserves is based on the definition included in the charity statement of recommended practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have examined the requirements of the charity to hold free reserves - those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. The Trustees considered it would be appropriate to hold the equivalent of three months running costs, which would equate to holding approximately £420,000 in free reserves.

At the year end, they had £315,465 free reserves (2018: £601,810) and the trustees have assessed the position and are taking steps to start to rebuild the free reserves..

Pay policy for Key Management Personnel

The pay of Key Management Personnel is reviewed annually and normally increased in accordance with the average earnings. The Trustees benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charity can afford any proposed increased. The Trustees then agree any uplift to remuneration.

PRINCIPLE RISKS AND UNCERTAINTIES

Dementia Matters operates within a highly regulated environment, with the majority of its income derived from the provision of services commissioned by a small number of public sector funders. As such, the principle risks and uncertainties faced by Dementia Care are:

- Financial constraints placed on all care providers by public sector commissioners, as they in turn face financial cutbacks. This is a challenge faced throughout the care sector and is by no means unique to Dementia Matters.
- Changes in legislation affecting charities and the care sector, including additional compliance requirements.
- Failure to meet the requirements of the Care Quality Commission, resulting in the potential loss of registration and inability to provide services.

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- Changes in legislation affecting businesses in general, such as pension auto-enrolment and changes to the National Living Wage. These lead to increases in our operating costs and again are not unique to Dementia Matters.
- A poor CQC report resulting in reduced confidence in Dementia Care's services by our stakeholders.

PLANS FOR FUTURE PERIODS

The Local Authority sector remains our biggest commissioner of services and is likely to be so in the next two to three years. Significant opportunities do exist in the services that remain at Dementia Matters to expand to meet both the needs of commissioners and satisfy the financial requirements of the charity. Significant talks are underway around expansion of Dementia Matters services in Northumberland, North Tyneside, South Tyneside and with other regional bodies. Discussions with Northumberland County Council have culminated in the planned opening of a new Day Care centre in Cramlington in October 2019.

As Trustees we have agreed a strategy of internal change and external expansion to enable the charity to sustain and grow, both geographically throughout the region and financially. Numerous development opportunities exist for the charity despite the uncertainties around central funding for Adult Social Care. Even closer monitoring of all existing contracts and projects is required so that speedy action can be taken if projects start to show a sustained and significant deficit.

We are currently looking at the option to expand our new Dementia Advice Services, as noted earlier with regards to our DAC in Newcastle, with the Local Authority and Clinical Commissioning Group (NHS), both within Newcastle and into Gateshead.

Northumberland County Council have approached Dementia Matters with a view to opening up new day care services in the region, with options in Cramlington (now approved), Bedlington, Berwick upon Tweed and Haltwhistle.

The home care sector continues to provide real growth opportunities for the charity, with the biggest growth opportunities currently in North Tyneside, Northumbria and South Tyneside.

Our aim, therefore, will be to continue to investigate the potential to develop large new projects in adjacent areas, and to expand our services organically, to seek partnerships with compatible charities, and continue to refine the services we already deliver.

Addressing the 'wherever' strand of our Vision is a much longer-term strategy, requiring us to identify other areas where our services are needed and working with partners to deliver them. We continue to discuss options to expand our reach with NHS Trusts and Local Authorities. These discussions are central to our strategic development plans and provide significant opportunities for the charity in the coming 1-3 years. The challenge, as ever, will be to fund the projects in a way which secures the charity's long-term financial future, so will necessarily include a mix of grant aid, trusts, joint venture funds and borrowing.

As a precursor to next year's report, however, we can announce that funds have been secured to develop a new Day Care service in Cramlington, Northumbria, in partnership with Northumbria Council. This service will begin operations in the last quarter of the next financial year and will show a positive contribution to the charity of circa £25k in that period. In the following financial year 20/21, it is forecasted that this project should return a £100k surplus to the charity.

The current Business Plan, Budget and Strategy for Growth was reviewed in February of this year, and further discussions will refine our plans considering difficult financial conditions in 2019. This strategy will then be subject to ongoing review throughout the next financial year in order to test its relevance against the prevailing funding landscape and commissioning policy.

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TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the directors of Dementia Matters for the purposes of company law) are responsible for preparing the Trustees' Annual Report, the Chairman's Statement and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period.

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 are sufficient to show and explain the charitable company's transactions and 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
- each Trustee has taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

MHA Tait Walker were re-appointed as auditor to the charity at the Annual General Meeting on 25.11.19 in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the Trustees.


Lee Jon Ali
Chair

**DEMENTIA MATTERS
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF DEMENTIA MATTERS
YEAR ENDED 31 MARCH 2019**

Opinion

We have audited the financial statements of Dementia Matters (the 'charity') for the year ended 31 March 2019, which comprise the statement of financial activity, balance sheet, cashflow and supporting notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustee report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 13], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE
MEMBERS OF DEMENTIA MATTERS
YEAR ENDED 31 MARCH 2019**

- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of report

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



Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker, Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date *26.11.19*

MHA Tait Walker is a trading style of Tait Walker LLP

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2019

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

| | Note | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|---|------|------------------------------------|----------------------------------|--------------------------|--------------------------|
| INCOME | | | | | |
| Donations & Grants | 2 | 61,890 | 196,854 | 258,744 | 301,093 |
| Charitable activities | 3 | 2,722,054 | – | 2,722,054 | 2,380,591 |
| Investment income | 4 | 2,888 | – | 2,888 | 3,305 |
| TOTAL INCOME | | 2,786,832 | 196,854 | 2,983,686 | 2,684,989 |
| EXPENDITURE | | | | | |
| Expenditure on raising funds: | | | | | |
| Donations & Grants | 5 | (15,740) | – | (15,740) | (12,954) |
| Charitable activities | 6/7 | (3,160,248) | (213,526) | (3,373,774) | (3,129,764) |
| TOTAL EXPENDITURE | | (3,175,988) | (213,526) | (3,389,514) | (3,142,718) |
| NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS | | | | | |
| | 9 | (389,156) | (16,672) | (405,828) | (457,729) |
| Transfer between funds | 10 | (12,500) | 12,500 | – | – |
| NET (EXPENDITURE)/INCOME FOR THE YEAR | | (401,656) | (4,172) | (405,828) | (457,729) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 3,057,148 | 90,420 | 3,147,568 | 3,605,297 |
| TOTAL FUNDS CARRIED FORWARD | | 2,655,492 | 86,248 | 2,741,740 | 3,147,568 |

All of the above amounts relate to continuing activities.

The notes on pages 20 to 33 form part of these financial statements.

Comparative Statement of Financial Activities is on Note 24.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
COMPANY REGISTRATION NUMBER: 02980817
BALANCE SHEET
YEAR ENDED 31 MARCH 2019

| | 2019 Note | £ | £ | 2018 £ | £ |
|---|--------------|----------------|------------------|----------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 2,327,527 | | 2,430,338 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 411,508 | | 369,315 | |
| Cash at bank and in hand | | 273,425 | | 560,986 | |
| | | <u>684,933</u> | | <u>930,301</u> | |
| CREDITORS: amounts falling due within one year | 14 | (270,720) | | (213,071) | |
| NET CURRENT ASSETS | | | 414,213 | | 717,230 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,741,740</u> | | <u>3,147,568</u> |
| NET ASSETS | | | <u>2,741,740</u> | | <u>3,147,568</u> |
| FUNDS | | | | | |
| Restricted income funds | 17 | 86,248 | | 90,420 | |
| Unrestricted income funds | 18 | 2,655,492 | | 3,057,148 | |
| TOTAL FUNDS | | | <u>2,741,740</u> | | <u>3,147,568</u> |

These financial statements were approved by the Trustees and authorised for issue on 24 September 2019 and are signed on their behalf by:


25.11.19
Lee Jon Ali
Chair

Company Registration Number: 02980817

The notes on pages 20 to 33 form part of these financial statements.

**DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2019**

RECONCILIATION OF NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Net (outgoing)/incoming resources before transfers | (405,828) | (457,729) |
| Interest receivable | (2,746) | (3,305) |
| Depreciation | 189,508 | 141,167 |
| (Increase)/Decrease in debtors | (42,193) | 41,860 |
| Increase in creditors | 57,649 | 88,335 |
| Net cash inflow from operating activities | (203,610) | (189,672) |

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

| | | |
|--|-------|-------|
| Interest received | 2,746 | 3,305 |
| Net cash inflow from returns on investments and servicing of finance | 2,746 | 3,305 |

CAPITAL EXPENDITURE

| | | |
|---|----------|-----------|
| Payments to acquire tangible fixed assets | (86,697) | (140,611) |
| Net cash outflow from capital expenditure | (86,697) | (140,611) |

(DECREASE)/INCREASE IN CASH

| | |
|-----------|-----------|
| (287,561) | (326,978) |
|-----------|-----------|

RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Decrease in cash in the period | (287,561) | (326,978) |
| Change in net funds | (287,561) | (326,978) |
| Net funds at 1st April 2018 | 560,986 | 887,964 |
| Net funds at 31st March 2019 | 273,425 | 560,986 |

ANALYSIS OF CHANGES IN NET FUNDS

| | 1 April 2018 £ | Cash flows £ | 31 March 2019 £ |
|--------------------------|----------------------|-----------------|-----------------------|
| Cash in hand and at bank | 560,986 | (287,561) | 273,425 |

The notes on pages 20 to 33 form part of these financial statements.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

Basis of accounting

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.

Dementia Matters meets the definition of a public benefit entity (PBE) under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The functional currency is sterling.

Preparation of the accounts on a going concern basis

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

Income

Income is recognised when the charitable company 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 grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is that the income will be received and the amount can be measured reliably and is not deferred. Income from charitable activities includes income received under contract where entitlement to grant funding is subject to specific performance conditions is recognised as earned (the related goods or services have been provided) - Grant income included in this category provides funding to support charitable activities and is recognised where there is 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 met.

Interest receivable

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.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charitable company without further specified purpose and are available as general funds.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and use of the designated funds are set out in the notes to the accounts. Transfers are made to designated funds out of unrestricted funds to meet the purposes for which these funds have been set up.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

Restricted funds are grants or donations that are subject to specific conditions by grant-makers or donors as to how they may be used. Funds received from fundraising activities may also be restricted, depending upon the purpose for which the funds were raised. The purposes and uses of the restricted funds are set out in the notes to the accounts. For restricted funds received for the purchase and construction of fixed assets, transfers are made out of restricted funds into unrestricted funds once the fixed asset has been purchased or brought into use.

Client Monies

Members of Dementia Matters staff administer certain bank accounts holding balances belonging to people for whom we provide care. The balances remain the property of the individuals and as such are not dealt with in these accounts.

Fixed assets

All fixed assets are initially recorded at cost. All assets costing more than £300 are capitalised. Below that figure, judgement is applied as to the necessity of capitalisation.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|----------------------------------|---|-------------------|
| Freehold buildings | - | 2% straight line |
| Day Service and houses equipment | - | 25% straight line |
| Office fixtures and equipment | - | 25% straight line |
| Motor vehicles | - | 25% straight line |
| Computer equipment | - | 25% straight line |

Debtors

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

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 provision are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The charity supports a group personal pension plan for employees. Contributions by the charity are charged to the income and expenditure account as they become payable.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant. Grants received where conditions specified by the donor have not yet been met by the charity of where the donor has specified the time period in which the expenditure of resources can take place are deferred and recognised once all conditions have been met, or over the time period specified by the donor.

Incoming resources from charitable activities represents income received for services provided under contracts with public sector service commissioners and private individuals and is accounted for when earned.

Turnover represents amounts receivable for goods and services net of discounts.

Government grants receivable for capital projects are generally receivable after the expenditure has been made by the charitable company. Grants receivable are recognised in these financial statements if a claim has been made by the charitable company against a known commitment by the grant provider for expenditure incurred prior to the year end.

Resources expended

All expenditure is accounted for on an accruals basis.

Costs of generating funds comprise the costs of generating grants and donations. Expenditure within charitable activities includes all costs incurred in the provision of the relief of persons with dementia and related conditions and includes both costs that can be allocated directly to this activity and those costs of an indirect nature necessary to support them.

Support costs are all costs that cannot be directly allocated to a charitable activity. They include all central and management costs and administration overheads. Support costs are apportioned between the activities of the charitable company on a basis consistent with the use of resources. This basis has been estimated by relative direct costs of the activities. Support costs include those costs formerly known as governance.

Taxation

As a registered charity, the charitable company benefits from rates relief and is exempt from direct tax on its charitable activities but not from VAT. Irrecoverable VAT is included in the costs of those items to which it relates.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

2. DONATIONS AND GRANTS

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Donations | 59,890 | – | 59,890 |
| Legacies | – | – | – |
| Grants receivable | | | |
| The Barnard Kenneth Hufton Charity | 1,000 | – | 1,000 |
| Catherine Cookson - Outreach | | 500 | |
| Hadrian Trust - Outreach | | 1,000 | |
| Advice Centre - Ballinger | – | 77,274 | 77,274 |
| Early Intervention Project | – | 3,433 | 3,433 |
| Impact Management | – | 10,080 | 11,600 |
| Chief Executive's costs | – | 40,000 | 40,000 |
| Workforce Development & Training | 1,000 | – | 1,000 |
| Admiral Nurse | – | 64,567 | 64,567 |
| | 61,890 | 196,854 | 258,744 |
| | | | |
| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ |
| Donations | 71,683 | – | 71,683 |
| Legacies | 41,000 | – | 41,000 |
| Grants receivable | | | |
| I.T Development Costs | – | 25,000 | 25,000 |
| Marketing & Public Relations | – | 25,000 | 25,000 |
| Early Intervention Project | – | 30,902 | 30,902 |
| Impact Management | – | 11,600 | 11,600 |
| Chief Executive's costs | – | 40,000 | 40,000 |
| Workforce Development and Training | – | 4,575 | 4,575 |
| Admiral Nurse | – | 45,833 | 45,833 |
| Tovertafel capital cost | – | 5,500 | 5,500 |
| | 112,683 | 188,410 | 301,093 |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

3. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds 2019 £ | Total Funds 2019 £ | Unrestricted Funds 2018 £ | Total Funds 2018 £ |
|------------------------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Home Support | 662,052 | 662,052 | 524,454 | 524,454 |
| Independent Supported Living | 1,294,587 | 1,294,587 | 1,111,173 | 1,111,173 |
| Day Centres | 548,571 | 548,571 | 621,252 | 621,252 |
| Residential Respite Centre | 210,099 | 210,099 | 120,935 | 120,935 |
| Other Income | 6,745 | 6,745 | 2,777 | 2,777 |
| | <u>2,722,054</u> | <u>2,722,054</u> | <u>2,380,591</u> | <u>2,380,591</u> |

4. INVESTMENT INCOME

| | Unrestricted Funds 2019 £ | Total Funds 2019 £ | Unrestricted Funds 2018 £ | Total Funds 2018 £ |
|--------------------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Bank interest receivable | 2,888 | 2,888 | 3,305 | 3,305 |
| | <u>2,888</u> | <u>2,888</u> | <u>3,305</u> | <u>3,305</u> |

5. EXPENDITURE ON RAISING FUNDS

| | Unrestricted Funds 2019 £ | Total Funds 2019 £ | Unrestricted Funds 2018 £ | Total Funds 2018 £ |
|--------------------|------------------------------------|-----------------------------|------------------------------------|-----------------------------|
| Donations & Grants | 15,740 | 15,740 | 12,954 | 12,954 |
| | <u>15,740</u> | <u>15,740</u> | <u>12,954</u> | <u>12,954</u> |

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

| | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ |
|--|------------------------------------|----------------------------------|--------------------------|
| Relief of persons with Dementia and related conditions | 2,616,367 | 144,101 | 2,760,468 |
| Support costs | 543,881 | 69,425 | 613,306 |
| | <u>3,160,248</u> | <u>213,526</u> | <u>3,373,774</u> |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE (continued)

| | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Relief of persons with Dementia and related conditions | 2,248,191 | 24,609 | 2,272,800 |
| Support costs | 670,946 | 186,018 | 856,964 |
| | <u>2,919,137</u> | <u>210,627</u> | <u>3,129,764</u> |

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|--|---|-------------------------------|--------------------------|-----------------------------|
| Relief of persons with Dementia and related conditions | 2,760,468 | 586,166 | 3,346,634 | 3,103,464 |
| Governance costs | – | 27,140 | 27,140 | 26,300 |
| | <u>2,760,468</u> | <u>613,306</u> | <u>3,373,774</u> | <u>3,129,764</u> |

8. ANALYSIS OF SUPPORT COSTS

| | Restricted Support Costs 2019 £ | Support Costs 2019 £ | Governance 2019 £ | Total 2019 £ | Total 2018 £ |
|--------------------------------|---|-------------------------------|-------------------------|--------------------|--------------------|
| Staff costs | 40,000 | 217,975 | 20,000 | 277,975 | 490,675 |
| Staff Travel | – | 7,799 | – | 7,799 | – |
| Premises | – | 10,310 | – | 10,310 | 12,459 |
| Communications and IT | 15,000 | 47,253 | – | 62,253 | 52,942 |
| Legal and professional | 1,566 | 16,559 | – | 18,125 | 60,994 |
| Audit fees | – | – | 7,140 | 7,140 | 6,300 |
| Bad Debt Provision | – | 17,214 | – | 17,214 | – |
| Depreciation | 646 | 91,637 | – | 92,283 | 141,167 |
| Staff training costs | – | 18,267 | – | 18,267 | 22,255 |
| Recruitment expenses | – | 12,945 | – | 12,945 | 2,663 |
| Printing, Postage & Stationary | 1,256 | 18,316 | – | 19,572 | 18,198 |
| Repairs & renewals | 679 | 9,777 | – | 10,456 | 15,570 |
| Light & heat | – | 7,684 | – | 7,684 | 9,934 |
| Insurance | 278 | 17,728 | – | 18,006 | 17,311 |
| Marketing and PR | 10,000 | 6,028 | – | 16,028 | – |
| Room Hire | – | 12,745 | – | 12,745 | – |
| Other costs | – | 4,505 | – | 4,504 | 6,496 |
| | <u>69,425</u> | <u>516,741</u> | <u>27,140</u> | <u>613,306</u> | <u>856,964</u> |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

Analysis of Governance & Support Costs

The charity allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

- Direct to governance: Accountancy fees, Audit fees and Recruitment costs.
- Estimation of costs allocated as governance: Staff costs
- Direct to charitable activities: Salaries and pensions and all other support costs.

9. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

| | 2019 | 2018 |
|-------------------------------------|----------------|-------------|
| | £ | £ |
| Staff pension contributions | 23,810 | 11,509 |
| Depreciation | 189,508 | 141,167 |
| Auditors' remuneration: | | |
| - audit of the financial statements | 7,140 | 6,960 |

10. FUND TRANSFERS

There was a net transfer from unrestricted Funds to restricted Funds in the year of £12,500 being the matched funding.

In the prior year there was a net transfer from restricted funds to unrestricted funds of £47,500. This related to grants awarded towards costs which had been capitalised and fully spent. Having satisfied the conditions of the restrictions in terms of completion of the works, the grants were released into Unrestricted Funds.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

11. STAFF COSTS AND REMUNERATION

Total staff costs were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 2,372,432 | 2,358,370 |
| Social security costs | 152,444 | 159,583 |
| Other pension costs | 23,810 | 11,988 |
| | <u>2,548,686</u> | <u>2,529,941</u> |

Particulars of employees:

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

| | 2019 No. | 2018 No. |
|---|-------------|-------------|
| Direct charitable activities | 127 | 121 |
| Management and administration of the charitable company | 24 | 26 |
| | <u>151</u> | <u>147</u> |

The number of employees whose remuneration for the year fell within the following bands, were:

| | 2019 No. | 2018 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | <u>1</u> | <u>-</u> |

Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel:

During the year no Trustee received any remuneration (2018 - £Nil), benefit in kind (2018 - £Nil) or reimbursement of expenses (2018 - £Nil).

The key management personnel of the charitable company is comprised of the Trustees, the Chief Executive Officer, Head of Care, Head of Finance, Head of HR & Training and Head of Operations. The total employee benefits of the key management personnel of the charitable company were £202,665 (2018 - £257,525).

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

12. TANGIBLE FIXED ASSETS

| | Freehold land & property £ | Computer equipment £ | Day Centres & Houses equipment £ | Office fixtures & equipment £ | Motor vehicles £ | Total £ |
|-------------------------|-------------------------------------|----------------------------|--|--|------------------------|------------------|
| COST | | | | | | |
| At 1 April 2018 | 2,902,344 | 158,941 | 260,117 | 88,648 | 90,865 | 3,500,915 |
| Additions | 73,131 | 4,626 | – | 8,940 | – | 86,697 |
| Disposals | – | (66,083) | (61,213) | (26,717) | – | (154,013) |
| At 31 March 2019 | 2,975,475 | 97,484 | 198,904 | 70,871 | 90,865 | 3,433,599 |
| DEPRECIATION | | | | | | |
| At 1 April 2018 | 658,537 | 108,089 | 161,081 | 65,470 | 77,400 | 1,070,577 |
| Charge for the year | 58,900 | 19,461 | 86,493 | 11,189 | 13,465 | 189,508 |
| Disposals | – | (66,083) | (61,213) | (26,717) | – | (154,013) |
| At 31 March 2019 | 717,437 | 61,467 | 186,361 | 49,942 | 90,865 | 1,106,072 |
| NET BOOK VALUE | | | | | | |
| At 31 March 2019 | 2,258,038 | 36,017 | 12,543 | 20,929 | – | 2,327,527 |
| At 31 March 2018 | 2,243,807 | 50,852 | 99,036 | 23,178 | 13,465 | 2,430,338 |

During the year, the charity closed the Day Centre in Hexham and gave notice to the Local Authority of its intention to terminate its Independent Supported Living contract. The fixed assets associated with these activities were reviewed and where they could not be used elsewhere in the organisation or have any resale value, they have been fully written off. The value of this impairment, included in the above figures is £76,799.

13. DEBTORS

| | 2019 £ | 2018 £ |
|---------------|----------------|----------------|
| Trade debtors | 252,388 | 259,435 |
| Other debtors | 113,681 | 58,398 |
| Prepayments | 45,439 | 51,482 |
| | 411,508 | 369,315 |

Included in trade debtors is a provision for bad debts of £18,160 (2018- £Nil).

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

14. CREDITORS: Amounts falling due within one year

| | 2019 | 2018 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 78,953 | 111,357 |
| PAYE and social security | 33,129 | 34,994 |
| Other creditors | 3,640 | 792 |
| Accruals | 154,998 | 65,928 |
| | <u>270,720</u> | <u>213,071</u> |

15. PENSIONS

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £23,810 (2018 - £11,988). Included in other creditors is £69 owing at the year end (2018 - £0).

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019, the charitable company had minimum lease commitments under non-cancellable operating leases as set out below.

| | Assets other than land and buildings | |
|---------------------------------------|---|---------------|
| | 2019 | 2018 |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | 6,834 | 9,999 |
| Within 2 to 5 years | 10,251 | 1,805 |
| | <u>17,085</u> | <u>11,804</u> |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

17. RESTRICTED INCOME FUNDS

| | Balance at 1 April 2018 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | Balance at 31 March 2019 £ |
|------------------------------------|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| Therapies and activities | 3,400 | – | (3,400) | – | – |
| Carers' support | 3,024 | – | (3,024) | – | – |
| Northumberland Dementia Project | 18,001 | – | – | – | 18,001 |
| Outreach centres | – | 1,500 | – | – | 1,500 |
| Wellbeing café | 776 | – | (776) | – | – |
| Registered Managers' Group | 270 | – | (270) | – | – |
| Chief Executive's costs | – | 40,000 | (40,000) | – | – |
| Early Intervention Project | 5,904 | 3,433 | (9,337) | – | – |
| Admiral Nurse | 27,439 | 64,567 | (81,120) | 12,500 | 23,386 |
| Access Impact | 5,040 | 10,080 | (15,120) | – | – |
| Big Potential | 1,566 | – | (1,566) | – | – |
| Ballinger Trust | 25,000 | – | (25,000) | – | – |
| Dementia Advice Centre | – | 77,274 | (33,913) | – | 43,361 |
| | 90,420 | 196,854 | (213,526) | 12,500 | 86,248 |

Therapies and Activities

This reserve consisted of grants and donations given to the charity to promote activities to benefit people with dementia, their carers and the wider community. It was fully utilised during the year.

Carers' Support

The purpose of this fund was to develop carers support and services to provide assistance when required. It was fully utilised during the year.

Northumberland Dementia Project

The Ballinger Charitable Trust agreed to fund a 3 year project delivered by Dementia Matters to improve the delivery of dementia services and support in North East of England. Dementia Matters has developed its model of supported living for people with dementia and is using the funding to expand this to Northumberland and the wider North East. Incoming Resources represent additional grants received under this project during the year. The reserve is used to pay for staff recruitment and training and other set up costs for specific projects. The balance has been earmarked for a potential new day centre in Cramlington.

Wellbeing Cafés

Dementia Matters received funding from Newcastle City Council towards a number of wellbeing cafés for people with dementia in the city. It was fully utilised during the year.

Registered Managers' Group

We received a small grant to cover the costs of setting up and running a networking group for the CQC Registered Managers in the local area. It was fully utilised during the year.

Chief Executive Costs

We received a grant from The Ballinger Charitable Trust towards the salary costs of the Chief Executive for 3 years commencing in April 2016. This grant is paid in annual instalments.

DEMENTIA MATTERS
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YEAR ENDED 31 MARCH 2019

Early Intervention Project

We secured a grant of £112,000 to deliver one of 18 pilot projects for dementia in the North East and Cumbria, funded by Comic Relief, The Ballinger Charitable Trust and Northern Rock Foundation. Our project is aimed at supporting people in the early stages of dementia and will run to May 2019, with funding being drawn down against project milestones. It was fully utilised during the year in setting up the Dementia Advice Centre.

Admiral Nurse

We received a grant from Northstar Foundation towards the salary costs for the first 2 years of an Admiral Nurse post. We will receive additional grants over the next two years from Dementia UK and ASHN, again to cover the salary costs of a post.

Access Impact

We received a grant from The Social Investment Business, to consider ways in which we can demonstrate that best practice in adult social care results in measurable benefits to the service users and therefore to the commissioners and NHS in terms of cost savings. For example, person centred care in a ISL setting reduces the risks of falls. This then saves the NHS money in terms of fractures, rehabilitation and physiotherapy and bed blocking. The project is seeking to identify metrics that support this assertion. It was fully utilised during the year.

Marketing & PR

We received a grant from the Ballinger Charitable Trust to examine whether or not our current brand is fit for purpose in 21st Century social care. If so, then the grant will be used to enhance marketing and awareness of the charity. If not, the purpose of the grant was to support a rebranding exercise to address any negative connotations around the existing brand. A review has concluded that rebranding is required and this exercise is now completed.

Dementia Advice Centre

We received a grant from the Ballinger Charitable Trust to assist in the opening of a Advice Centre in Newcastle.

Outreach Centres

So far we have received grants from Catherine Cookson Trust and Hadrian Trust towards a project of opening up to three outreach centres.

18. UNRESTRICTED INCOME FUNDS

| | Balance at 1 April 2018 £ | Incoming resources £ | Outgoing resources £ | Transfers £ | Balance at 31 March 2019 £ |
|---------------|------------------------------------|----------------------------|----------------------------|-----------------|-------------------------------------|
| Property | 2,243,807 | – | (58,900) | 73,131 | 2,258,038 |
| Fixed Asset | 173,066 | – | (117,143) | 13,566 | 69,489 |
| Minibuses | 13,465 | – | (13,465) | – | – |
| Admiral Nurse | 25,000 | – | – | (12,500) | 12,500 |
| General Funds | 601,810 | 2,786,832 | (2,986,480) | (86,697) | 315,465 |
| | <u>3,057,148</u> | <u>2,786,832</u> | <u>(3,175,988)</u> | <u>(12,500)</u> | <u>2,655,492</u> |

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
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Admiral Nurse

This reserve reflects the costs which will be incurred by the charity for the Admiral Nurse which are over and above the grant receipts.

Property Reserve

This reserve reflects the cost expended in relation to the Bradbury Centre and forecasted expenditure on property in the subsequent year. Depreciation on land and buildings is charged against this reserve.

Fixed Asset Reserve

This reserve includes all other fixed assets maintained in the balance sheet as the reserves tied up in these items are not generally available as free reserves. Depreciation on these assets is charged against these reserves.

Minibuses Reserve

This reserve has been set up to provide for annual depreciation charges for the three minibuses.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible fixed assets | Net current assets | Total |
|-----------------------------------|----------------------------------|-------------------------------|------------------|
| | £ | £ | £ |
| Restricted Income Funds: | | | |
| Northumberland Dementia Project | – | 18,001 | 18,001 |
| Admiral Nurse | – | 23,386 | 23,386 |
| Dementia Advice Centre | – | 43,361 | 43,361 |
| Outreach Centres | | 1,500 | 1,500 |
| | – | 86,248 | 86,248 |
| Unrestricted Income Funds: | | | |
| Designated Funds | 2,327,527 | 12,500 | 2,340,027 |
| General Funds | - | 315,465 | 315,465 |
| | 2,327,527 | 327,965 | 2,655,492 |
| Total Funds | 2,327,527 | 414,213 | 2,741,740 |

20. RELATED PARTY TRANSACTIONS

During the year an amount of £948 was paid to Ward Hadaway Solicitors (2018: £14,280) for legal advice, a company where Mr Russell Ward is a partner, also £ nil (2018: £5,424) was paid to HFPR Limited in respect of public relations consultancy fees, a company owned by the spouse of J Florek, the former Head of Operations of the charity.

21. COMPANY LIMITED BY GUARANTEE

Dementia Matters is a charitable company limited by guarantee. The members of the charitable company are the Trustees. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £10 per member of the charitable company.

DEMENTIA MATTERS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

22. ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees, there is no ultimate controlling party other than the Board itself.

23. POST BALANCE SHEET EVENT

Since the year end, notice was given by the charity to end the Independent Supported Living contract, due to it contributing to the operating deficit. The contract will end on 31 July 2019 and the income and expense relating to this contract will end. Included in the year ended 31 March 2019 accounts was income of £1,294,432 (2018 £1,111,173). The charity will continue to provide ongoing dementia care and therefore this is not disclosed as a discontinuing activity.

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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

| | Note | Unrestricted Funds 2018 £ | Restricted Funds 2018 £ | Total Funds 2018 £ | Total Funds 2017 £ |
|---|------|------------------------------------|----------------------------------|--------------------------|--------------------------|
| INCOME | | | | | |
| Donations & Grants | 2 | 112,683 | 188,410 | 301,093 | 399,036 |
| Charitable activities | 3 | 2,380,591 | – | 2,380,591 | 2,313,631 |
| Investment income | 4 | 3,305 | – | 3,305 | 7,512 |
| TOTAL INCOME | | 2,496,579 | 188,410 | 2,684,989 | 2,720,179 |
| EXPENDITURE | | | | | |
| Expenditure on raising funds: | | | | | |
| Donations & Grants | 5 | (12,954) | – | (12,954) | (12,643) |
| Charitable activities | 6/7 | (2,919,137) | (210,627) | (3,129,764) | (3,017,868) |
| TOTAL EXPENDITURE | | (2,932,091) | (210,627) | (3,142,718) | (3,030,511) |
| NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS | 9 | (435,512) | (22,217) | (457,729) | (310,332) |
| Transfer between funds | 10 | 47,500 | (47,500) | – | – |
| NET (EXPENDITURE)/INCOME FOR THE YEAR | | (388,012) | (69,717) | (457,729) | (310,332) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 3,445,160 | 160,137 | 3,605,297 | 3,915,629 |
| TOTAL FUNDS CARRIED FORWARD | | 3,057,148 | 90,420 | 3,147,568 | 3,605,297 |

All of the above amounts relate to continuing activities.

The notes on pages 23 to 36 form part of these financial statements.



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Registered Charity Number 1045517
Company Number 02980817