

HEREFORDSHIRE LIFESTYLES
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 2013

HEREfORDSHIRE
Lifestyles

Supporting people.....changing lives



Registered Charity Number: 1003132
Company Number: 2610465

HEREFORDSHIRE LIFESTYLES

DIRECTORS REPORT

REFERENCES AND ADMINISTRATIVE INFORMATION

31st MARCH 2013

Charity name	Herefordshire Lifestyles
Registered charity number	1003132
Company Number	2610465
Registered Office	Jubilee Building Faraday Road Hereford HR4 9NS
Governing document and constitution	The charity is a company limited by guarantee and not having a share capital. It is governed by its Memorandum and Articles of Association dated 13 May 1991.
Board of directors	<p>The directors (who are also the trustees) serving during the year and since the year end were as follows</p> <p>Mr L Gale Mr A Marson Mrs L Hudson Mrs P Marson Mr B Palmer Mrs J Maddox (resigned 2nd May 2013) Mr F Holman (died 2nd August 2013) Ms M Percy Mr A Swainson</p>
Company secretary.	Mrs P Marson
Bankers	Unity Trust Bank plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HE
Accountant	Cockett & Co Ltd, 2e Rainbow Street, Leominster HR6 8DQ

DIRECTORS REPORT

31st MARCH 2013

The Directors, who are also the Trustees, present their report and financial accounts of the organisation

1 Structure Governance and Management

The organisation has 7 trustees. There were two retiring trustees during 2013. There are no formally documented policies for the induction and training of trustees.

2 The Objects of the Charity

Herefordshire Lifestyles is a company limited by guarantee and a registered charity whose objective is to "relieve the needs of disabled persons". This is underpinned in our core enabling work and fundamental to our mission.

Herefordshire Lifestyles works with older people, people with disabilities, and vulnerable adults, providing services and support, to enable them to live independently.

Herefordshire Lifestyles main activity was enabling individuals to maintain their independence and to live a life of their choice but all services ceased in March 2013, with the loss of public sector funding.

3 Achievements and Performance

During the last financial year the organisation lost both of its major funding sources:

- A "Supporting People" contract to provide floating support to enable disabled and older people to maintain independence and tenure, via Herefordshire Council
- A Carers support short term breaks service level agreement

The decision was taken in December 2012 that the remaining services were not sustainable without the volume work of these contracts, although other services were growing. All floating support services were discontinued in March 2013 and staff offered redundancy. The trustees are currently considering future activity and roles for the organisation.

Our "Treasure Island" retailing and social enterprise activity also had a challenging year and suffered a slight loss for the third year running. This enterprise continues.

4 Outlook

The outlook for organisation continues to deteriorate with public sector cuts and loss of contracts via competitive tendering having significant impact

The trustees are currently starting a review of how older persons services can be delivered with limited or no public sector funding. This is an extremely challenging objective and a wide ranging research project will commence during early 2014

The organisations cash position remains healthy for the level of current cost

We recognise that the organisation has again had to manage tremendous and difficult change over the past year and we are justifiably proud of Lifestyles former staff, trustees and volunteers for their efforts and the professionalism and enthusiasm which they invest on behalf of the organisation. Sadly most staff have left us within the last few months and we wish them well for the future

5 Reserves Policy

Herefordshire Lifestyles is a responsible organisation, which recognises the need to maintain reserves that take account of the needs of the organisation both now and in the future. This policy is therefore designed to provide for

- 1 A development fund, available to fund future growth of the organisation. This Reserve will fund projects deemed to be necessary for the long term development and benefit of the organisation including (but not restricted to) management development, consultancy and research, major IT expenditure etc (**Development Reserve**)
- 2 The cost of managing the organisation through periods of income fluctuation to allow time to react and adjust to changed circumstances and meet unavoidable liabilities (**Management Reserve**)
- 3 The funding of adjustment to changed circumstances, including costs of staff reduction and ultimately winding up of the organisation (**Management Reserve**)

5.1 Development Reserve

The Development Reserve will be calculated and accumulated at the rate of 1% of income per annum. The reserve will be accumulated from year to year and applied on development projects or similar investment for the benefit of the organisation at the discretion of the Executive Director, ratified by the trustees

The trustees will confirm any changes to this arrangement annually including, where necessary, its discontinuance, if financial considerations deem this necessary

5.2 Management Reserve

The management reserve will be accumulated to cover

- Three months normal running costs of the organisation, giving time to react to unforeseen circumstances (e.g. loss of funding at short notice, fire or other disaster causing loss of income)

- The estimated costs of adjusting to such changes (including costs of staff reduction at 90 days notice)
- 6 months reduced running costs
- Costs of winding up the organisation in its entirety

It is recognised that this reserve will need to be built up over a period of time and the trustees will each year

- Determine the annual contribution required to the Reserve, based on finances available and the annual risk management analysis
- Calculate any required changes to the desirable ultimate size of the Reserve

5.3 How reserves are held

All reserves are to be held on cash deposit as directed by the trustees

6 Risk review

The Directors have discussed the significant risk facing the organisation on a regular basis and have actions in place to ensure the long term survival of the organisation


7 Accountants

Cockett & Co Ltd have offered themselves for reappointment as accountants to the charity

8 Small Company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the Directors



A Marson
Director

HEREFORDSHIRE LIFESTYLES

Independent examiner's report to the trustees of Herefordshire Lifestyles

I report on the accounts of the company for the year ended 31st March 2013

Respective responsibilities of trustees and examiner

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

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

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

Basis of independent examiner's report

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

Independent examiner's statement

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

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

- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met, or

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

Lee Cockett
Chartered Accountant
2e Rainbow Street
Leominster
HR6 8DQ



2nd December 2013

HEREFORDSHIRE LIFESTYLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2013

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total 2013 £	Total 2012 £
Incoming resources						
<i>Incoming resources form generated funds</i>						
<i>Voluntary income.</i>						
Donations and grants		911	-	-	911	2539
Investment income		1444	-	-	1444	1401
<i>Activities for generating funds</i>						
Charity shop		63829	-	-	63829	69029
		66184	-	-	66184	72969
<i>Incoming resources from charitable activities</i>	2	257067	-	-	257067	566656
<i>Other incoming resources</i>	3	85566	-	-	85566	46170
Total incoming resources		408817	-	-	408817	685795
Resources expended						
<i>Costs of generating funds:</i>						
Charity shop	4	73902	-	-	73902	72509
<i>Charitable activities</i>	6	460460	-	-	460460	578994
<i>Governance costs</i>	6	1637	-	-	1637	2705
Total resources expended		535999	-	-	535999	654208

HEREFORDSHIRE LIFESTYLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2013

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2013 £	Total 2012 £
Net incoming resources before transfers		-127182	-	-	-127182	31587
Transfers	13	-4088	-	4088	-	-
Net movement in funds		-131270	0	4088	-127182	31587
Reconciliation of funds						
Total funds brought forward		228935	0	129707	358642	327055
Total funds carried forward		97665	0	133795	231460	358642

The Statement of Financial Activities includes all gains and losses recognised in the year
All incoming resources and resources expended derive from continuing activities

The notes on pages 9 to 16 form part of these financial statements

HEREFORDSHIRE LIFESTYLES**BALANCE SHEET****AS AT 31ST MARCH 2013**

		2013		2012	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	8		6714		8953
			<hr/>		<hr/>
			6714		8953
Current assets					
Debtors	9	51519		106013	
Cash at bank		202291		263308	
		<hr/>		<hr/>	
		253810		369321	
Creditors amounts falling due within one year	10	-29064		-19632	
		<hr/>		<hr/>	
Net current assets			224746		349689
			<hr/>		<hr/>
Total assets less current liabilities			231460		358642
			<hr/>		<hr/>
Funds					
Unrestricted		97665		228935	
Restricted		0		0	
		<hr/>		<hr/>	
			97665		228935
Designated			133795		129707
			<hr/>		<hr/>
Total funds	12		231460		358642
			<hr/>		<hr/>

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and if its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

The company is entitled to exemption from audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2013

No member of the company has deposited a notice pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006

Mr A Marson
Director

Andrew Marson
13/12/13

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (2008), the Companies Act 2006 and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)

Incoming resources

Income is accounted for in the period in which it is entitled to receipt

Resources expended

Resources expended are recognised in the period in which they are incurred. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated on a basis consistent with the use of resources. See note 8 to the accounts for further details.

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:

Motor vehicles -	25% reducing balance
Office equipment -	25% reducing balance

Items, which cost less than £1,000, are not capitalised.

Grants

Grants received are shown on the Statement of Financial Activities in accordance with the terms of the grant.

Grants received for the acquisition of fixed assets are credited to the Statement of Financial Activities when received and depreciation charged against the fund to which they are credited over the life of the asset.

Fund accounting

Funds held by the charity are either:

Unrestricted funds - these are funds, which can be used in accordance with the charitable objectives at the discretion of the directors,

Designated funds - these are funds set aside by the directors out of unrestricted funds for specific activities.

Restricted funds - these are funds, which can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs

The charity participates in a defined contributions pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the income and expenditure account.

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

1 Accounting policies cont

Company limited by guarantee

The company has no share capital and is limited by guarantee. The value of such guarantee at 31 March 2013 was £9 (2012 £9)

Deferred income

Deferred income is included in creditors and released to the Statement of Financial Activities as it falls due

Taxation

The company is a registered charity and as such is not generally liable to taxation

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred

Going concern

The charity receives a large proportion of income from Herefordshire Council. Due to the ongoing economic situation, this funding may be reduced to aid Herefordshire Council's financial position. The accounts are prepared on a Going Concern basis as there is no material uncertainty regarding the funding. Should this occur, the charity has other income streams and sufficient reserves to continue the work of the charity.

2 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Supporting people	165846	-	165846	430937
Carers support	91221	-	91221	135719
	<hr/>	<hr/>	<hr/>	<hr/>
	257067	-	257067	566656
	<hr/>	<hr/>	<hr/>	<hr/>

Incoming resources from charitable activities includes receipts from the local authorities to provide the care as stated in the Trustees Report

3 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Private care	82923	-	82923	42525
Resource management	2643	-	2643	3645
	<hr/>	<hr/>	<hr/>	<hr/>
	85566	-	85566	46170
	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

4 Costs of generating funds

	Charity shop £	Total 2013 £	Total 2012 £
Salaries and wages	42756	42756	41942
Light and heat	4098	4098	3701
Rent	15331	15331	12617
Rates	519	519	309
Maintenance	1424	1424	1814
Depreciation	2239	2239	2569
Travel and expenses	-	-	643
Motor expenses	4594	4594	4017
Advertising	3	3	1336
Telephone and postage	1086	1086	1879
Sundry	102	102	171
Insurance	1750	1750	1511
	<hr/>	<hr/>	<hr/>
	73902	73902	72509
	<hr/>	<hr/>	<hr/>

5 Net incoming resources for the year

	2013 £	2012 £
Is stated after charging		
Depreciation	2239	2985
Auditors fees	-	2600
Pension charge	13149	13138
	<hr/>	<hr/>
and after crediting		
Bank interest	1444	1401
	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

6 Analysis of charitable expenditure

The charity apportions its support costs on an income usage basis between the charitable activities

	HCC Supporting People £	HCC Carers Support £	Governance £	Total 2013 £	Total 2012 £
Salaries and wages	200536	110372	-	310908	391867
Staff costs	-	-	-	-	1599
Courses and training	390	215	-	605	4137
Travel and expenses	29927	16472	-	46399	46296
	<hr/>	<hr/>		<hr/>	<hr/>
	230853	127059	-	357912	443899
	<hr/>	<hr/>		<hr/>	<hr/>
Support costs					
Salaries and wages	39624	21809	-	61433	85418
Rent	7548	4155	-	11703	10158
Insurance	652	359	-	1011	1434
Office costs	13768	7578	-	21346	29714
Travel	-	-	87	87	105
Sundry	234	129	-	363	827
Advertising	6	4	-	10	97
Repairs and renewals	1955	1076	-	3031	2705
Training	322	178	-	500	494
Depreciation	-	-	-	-	912
Professional fees	2032	1119	-	3151	3336
Audit fees	-	-	1550	1550	2600
	<hr/>	<hr/>		<hr/>	<hr/>
	66141	36407	1637	104185	137800
	<hr/>	<hr/>		<hr/>	<hr/>
Total charitable expenditure	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	296994	163466	1637	462097	581699

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

7 Staff costs and numbers

Staff costs were as follows

	Total 2013	Total 2012
Salaries and wages	384073	484333
Social security costs	17875	21756
Pension contributions	13149	13138
	<hr/>	<hr/>
	415097	519227
	<hr/>	<hr/>

The charity operates a defined contribution pension scheme as detailed in the accounting policies note

The pension cost for the period was £13149 (2012 £13138) At the year-end there were no outstanding or pre-paid contributions

No employee received emoluments of more than £60,000

Average number of employees (full time equivalents)

	No.	No.
Executive Director	1	1
Charity shop	2	3
Public funding	26	40
Governance	1	4
	<hr/>	<hr/>
	30	48
	<hr/>	<hr/>

Trustees received expenses during the year totalling £87 (2012 £105)

Remuneration received by the trustees totalled £Nil (2012 £Nil)

HEREFORDSHIRE LIFESTYLES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2013****8 Tangible fixed assets**

	Office Equipment £	Motor Vehicles £	Total £
Cost			
As at 1st April 2012	12612	7999	20611
Added	-	-	-
Disposed	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31st March 2013	12612	7999	20611
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 1st April 2012	9658	2000	11658
Charge for the year	739	1500	2239
Disposed	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31st March 2013	10397	3500	13897
	<hr/>	<hr/>	<hr/>
Net book value			
As at 31st March 2013	2215	4499	6714
	<hr/>	<hr/>	<hr/>
As at 31st March 2012	2954	5999	8953
	<hr/>	<hr/>	<hr/>

9 Debtors

	2013 £	2012 £
Trade debtors	58866	80407
Prepayments	-	1750
VAT Recoverable	653	23856
	<hr/>	<hr/>
	59519	106013
	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH 2013****10 Creditors:** amounts falling due within one year

	2013 £	2012 £
Trade creditors	29064	18164
Deferred income and grants in advance	-	1468
	<hr/>	<hr/>
	29064	19632
	<hr/>	<hr/>

11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Tangible fixed assets	6714	-	6714	8953
Current assets	253810	-	253810	369321
Current liabilities	-29064	-	-29064	-19632
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31st March 2013	231460	-	231460	358642
	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013

12 Movement in funds	As at 1st April 12 £	Incoming Resources £	Outgoing Resources £	Transfer £	As at 31st March 13 £
Restricted funds					
Other contracts	-	-	-	-	-
Total restricted funds	0	-	-	-	0
Unrestricted funds					
Designated funds					
Development Reserve	44707	-	-	4088	48795
Management Reserve	85000	-	-	-	85000
	129707	-	-	4088	133795
General funds	228935	408817	535999	-4088	97665
	358642	408817	535999	-	231460
Total funds	358642	408817	535999	-	231460

Restricted funds

Restricted funds are used for the purpose of providing one to one support to adults with disabilities

Development Reserve

This reserve will fund projects deemed to be necessary for the long term development and benefit of the organisation including (but not restricted to) management development, consultancy and research, major IT expenditure etc

Management Reserve

This reserve is established to meet the cost of managing the organisation through periods of income fluctuations to allow time to react and adjust to changed circumstances and meet unavoidable liabilities, together with funding of adjustment to changed circumstances, including costs of staff reduction and ultimately winding up of the organisation

Transfers between funds

The Trustees considered that a further transfer to the management reserve was not required this year