

HEREFORDSHIRE LIFESTYLES
(Company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2014

HEREFORDSHIRE
Lifestyles

Supporting people.....changing lives

Registered Charity Number: 1003132
Company Number: 2610465



HEREFORDSHIRE LIFESTYLES

DIRECTORS REPORT

REFERENCES AND ADMINISTRATIVE INFORMATION

31st MARCH 2014

Charity name:	Herefordshire Lifestyles
Registered charity number:	1003132
Company Number	2610465
Registered Office	14 St Owen Street, Hereford HR1 2PL
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 (resigned 28th November 2013) 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 2014

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

1 Structure Governance and Management

The organisation has 6 trustees. 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

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

3 Achievements and Performance

During the previous financial year the organisation lost its major funding sources and the decision was taken that further service delivery under prevailing support models was not sustainable. Since early 2014 the trustees have been considering future activity and roles for the organisation. A significant piece of research has been undertaken and is expected to be available to inform this decision by the end of the current financial year in March 2015.

Our “Treasure Island” retailing and social enterprise activity continues to operate and generated a small surplus in the year ended March 2014.

4 Outlook

The outlook for organisations relying on public sector funding to provide services continues to deteriorate and the trustees are exploring how outcomes can be sustainably delivered for disabled, vulnerable and older persons with limited or no public sector funding. This is recognised as an extremely challenging objective, which will involve completely rethinking how communities can be enabled to support themselves.

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

We again recognise the immense contribution of Lifestyles staff, trustees and volunteers during another year of tremendous and difficult change. We are justifiably proud of their loyalty and commitment to the organisation.

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 handwritten signature in black ink that reads "Andrew J. Marson". The signature is written in a cursive style with a large initial 'A'.

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 2014.

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 is required by company law to prepare accrued accounts and I am qualified to undertake the examination by being a 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

6th November 2014

HEREFORDSHIRE LIFESTYLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources form generated funds</i>						
<i>Voluntary income:</i>						
Donations and grants		465	-	-	465	911
Investment income		768	-	-	768	1444
<i>Activities for generating funds:</i>						
Charity shop		70026	-	-	70026	63829
		71259	-	-	71259	66184
<i>Incoming resources from charitable activities</i>	2	2648	-	-	2648	257067
<i>Other incoming resources</i>	3	11342	-	-	11342	85566
Total incoming resources		85249	-	-	85249	408817
Resources expended						
<i>Costs of generating funds:</i>						
Charity shop	4	65678	-	-	65678	73902
<i>Charitable activities</i>	6	69325	-	-	69325	460460
<i>Governance costs</i>	6	870	-	-	870	1637
Total resources expended		135873	-	-	135873	535999

HEREFORDSHIRE LIFESTYLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	Designated Funds	Total 2014 £	Total 2013 £
Net incoming resources before transfers		-50624	-	-	-50624	-127182
Transfers	13	0	-	0	-	-
Net movement in funds		-50624	0	0	-50624	-127182
Reconciliation of funds						
Total funds brought forward		97665	0	133795	231460	358642
Total funds carried forward		47041	0	133795	180836	231460

1000

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 2014**

		2014		2013	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	8		5035		6714
			<hr/>		<hr/>
			5035		6714
Current assets					
Debtors	9	1478		51519	
Cash at bank		181255		202291	
		<hr/>		<hr/>	
		182733		253810	
Creditors amounts falling due within one year	10	-6932		-29064	
		<hr/>		<hr/>	
Net current assets			175801		224746
			<hr/>		<hr/>
Total assets less current liabilities			180836		231460
			<hr/>		<hr/>
Funds					
Unrestricted		46189		97665	
Restricted		0		0	
		<hr/>		<hr/>	
			46189		97665
Designated			134647		133795
			<hr/>		<hr/>
Total funds	12		180836		231460
			<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 2014.

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.

Andrew T. Marson
Mr A Marson
Director

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

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 2014

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 2014 was £9 (2013: £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 2014 £	Total 2013 £
Supporting people	2648	-	2648	165846
Carers support	-	-	-	91221
	<hr/>	<hr/>	<hr/>	<hr/>
	2648	-	2648	257067
	<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 2014 £	Total 2013 £
Private care	10017	-	10017	82923
Resource management	1325	-	1325	2643
	<hr/>	<hr/>	<hr/>	<hr/>
	11342	-	11342	85566
	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

4 Costs of generating funds

	Charity shop £	Total 2014 £	Total 2013 £
Salaries and wages	31831	31831	42756
Light and heat	6596	6596	4098
Rent	16311	16311	15331
Rates	482	482	519
Maintenance	1025	1025	1424
Depreciation	1679	1679	2239
Motor expenses	3007	3007	4594
Advertising	355	355	3
Telephone and postage	923	923	1086
Sundry	2274	2274	102
Insurance	1195	1195	1750
	<hr/>	<hr/>	<hr/>
	65678	65678	73902
	<hr/>	<hr/>	<hr/>

5 Net incoming resources for the year

	2014 £	2013 £
Is stated after charging:		
Depreciation	1679	2239
Pension charge	7035	13149
	<hr/>	<hr/>
and after crediting:		
Bank interest	768	1444
	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

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 2014 £	Total 2013 £
Salaries and wages	-	-	-	-	310908
Bad debts	37998	-	-	37998	-
Courses and training	-	-	-	-	605
Travel and expenses	2363	-	-	2363	46399
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	40361	-	-	40361	357912
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Support costs					
Salaries and wages	15532	-	-	15532	61433
Rent	6356	-	-	6356	11703
Insurance	-	-	-	-	1011
Office costs	3824	-	-	3824	21346
Travel	70	-	70	70	87
Sundry	-	-	-	-	363
Advertising	-	-	-	-	10
Repairs and renewals	1303	-	-	1303	3031
Training	-	-	-	-	500
Professional fees	209	-	-	209	3151
Accountancy fees	-	-	800	800	1550
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28094	-	870	28094	104185
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total charitable expenditure	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	68455	-	870	69325	462097
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

7 Staff costs and numbers

Staff costs were as follows:

	Total 2014	Total 2013
Salaries and wages	38650	384073
Social security costs	2637	17875
Pension contributions	7035	13149
	<hr/>	<hr/>
	48322	415097
	<hr/>	<hr/>

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

The pension cost for the period was £7035 (2013: £13149). 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	3	3
Public funding	0	26
Governance	2	1
	<hr/>	<hr/>
	6	30
	<hr/>	<hr/>

Trustees received expenses during the year totalling £70 (2013: £87)

Remuneration received by the trustees totalled £Nil (2013: £Nil).

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HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

8 Tangible fixed assets

	Office Equipment £	Motor Vehicles £	Total £
Cost			
As at 1st April 2013	12612	7999	20611
As at 31st March 2014	12612	7999	20611
Depreciation			
As at 1st April 2013	10397	3500	13897
Charge for the year	554	1125	1679
As at 31st March 2014	10951	4625	15576
Net book value			
As at 31st March 2014	1661	3374	5035
As at 31st March 2013	2215	4499	6714

9 Debtors

	2014 £	2013 £
Trade debtors	435	50866
VAT Recoverable	1043	653
	1478	51519

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	6932	29064
Deferred income and grants in advance	-	-
	<hr/>	<hr/>
	6932	29064
	<hr/>	<hr/>

11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Tangible fixed assets	5035	-	5035	6714
Current assets	182733	-	182733	253810
Current liabilities	-6932	-	-6932	-29064
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at 31st March 2014	180836	-	180836	231460
	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORDSHIRE LIFESTYLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2014

12 Movement in funds	As at 1st April 13 £	Incoming Resources £	Outgoing Resources £	Transfer £	As at 31st March 14 £
Restricted funds					
Other contracts	-	-	-	-	-
Total restricted funds	0	-	-	-	0
Unrestricted funds					
Designated funds					
Development Reserve	48795	-	-	852	49647
Management Reserve	85000	-	-	-	85000
	133795	-	-	852	134647
General funds	97665	85249	135873	-852	46189
	231460	85249	135873	-	180836
Total funds	231460	85249	135873	-	180836

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.