

AGE CONCERN MERTON
(LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007



**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

CONTENTS

| | Page |
|---|-------------|
| Company Information | 1 - 2 |
| Directors' Report | 3 – 10 |
| Independent Auditors' Report to the Members | 11 - 12 |
| Statement of Financial Activities | 13 |
| Summary Income and Expenditure Account | 14 |
| Balance Sheet | 15 |
| Notes to the Financial Statements | 16 – 24 |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

COMPANY INFORMATION

| | |
|---|---|
| Company registration No | 5173595 |
| Charity registration No. | 1105384 |
| Principal address & Registered Office | 277 London Road Mitcham Surrey CR4 3NT |
| Bankers | Barclays Bank Plc Wimbledon Business Centre P O Box No 850 Barclays House 8 Alexandra Road Wimbledon SW19 7LA |
| Auditors | Hartley Fowler LLP 4 th Floor Tuition House 27/37 St George's Road Wimbledon London SW19 4EU |
| Solicitors | Russell-Cooke 2 Putney Hill Putney London SW15 6AB |
| Directors | |
| Bryan Wagner Chairman & Company Secretary | Elaine Payne Honorary Treasurer |
| David Hobson Vice Chairman | Shirley Fernandez Trustee |
| Michael Mitchell - resigned 15 5 06 Trustee | Saleem U Sheikh MBE Trustee |
| Clare Gummett – appointed 10 4 06 Trustee | Sabapathy Sabanathan – appointed 15 1 07 Trustee |
| Co-opted after the year end | |
| Denver Greenhalgh – May 2007 | |
| Other non voting members | |
| Cllr Corinna Edge – Local Authority Representative * | |
| Cllr Sheila Knight – Local Authority Representative * | |
| Liz Barker – Field Officer Age Concern England * | |

Apart from the non voting members *, the remaining members of the Board are directors of the company

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

COMPANY INFORMATION – (CONTINUED)

Other Committee Membership

Finance Sub Committee

Bryan Wagner – Chairman
Shirley Fernandez
Elaine Payne - Treasurer

Note: The Chief Executive Officer is present at all Board meetings and the Finance Sub Committee meeting is in addition, attended by the Finance Officer

Chief Executive Officer

Lynne Bainbridge

Senior Staff

Stella Beston
Sarah Crook
Jean Osborne

Finance Officer
Trading Officer
Senior Day Centre Worker

Staff Team

Dave Davis
Sue Tickner

Jan Clark
Wendy Masterson
Alison Gibb
Kwaku Tweenboa
Alan Martin
Robert Hedges
Robert Towner
Una Barnes
Sally Mabey

Information & Advice Officer
Ageing Well Development Worker
/Celebrating Age Festival Co-ordinator
Craft Tutor/ Day Centre
Day Centre
Day Centre
Day Centre
Day Centre
Transport
Transport
Domestic support
Domestic support

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The company's principal activity during the year was to promote independence, well being and quality of life for all older people in the London Borough of Merton

A detailed review of the charity's activities is set out further in this report

DIRECTORS

The directors of the company at 31 March 2007 were as follows

Mr Michael Mitchell - resigned 15 5 06
Mr Bryan Wagner
Ms Sheikh Saleemullah
Ms Clare Gummatt – appointed 10 4 06

Ms Elaine Payne
Mr David Hobson
Mrs Shirley Fernandez
Ms Sabapathy Sabanathan – appointed 15 1 07

The directors are also trustees of the charity

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

STATEMENT OF DISCLOSURES TO THE AUDITORS

(a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Structure, Governance and Management

Age Concern Merton is a Company Limited by Guarantee and a Registered Charity. The Memoranda and Articles of Association of Age Concern Merton were adopted in 2004. At the same time the organisation formally extended the geographical area of the organisation's work to encompass the entire borough of Merton. At the same time the Board invited local partner organisations with an interest in our work to become members of Age Concern Merton, this offers the Board a much wider reference group for consultation purposes and enhances partnership working. The Chairperson is also the Company Secretary.

The governing body of the Charity is the Board of Trustees which currently comprises of 7 members with three ex-officio representatives. The Board meets every six weeks, with the Finance Sub Committee meeting every five weeks, this is the only regular sub group. Others are constituted on an ad hoc basis to complete finite pieces of work. The Chief Executive attends all Board meetings and sub committee meetings. The Finance Officer attends the Finance Sub Committee.

Trustees are elected for three years after which they may be re-elected for a further three years. The Board co-opts members in between Annual General Meetings when a vacancy arises. Trustees are recruited through professional, personal or member contacts, we aim to recruit local people or people whose skills the Board have identified as needed. New Trustees are given an induction pack and training, further training is offered on a regular basis, as it is to all Board members.

The Board's role is to give strategic direction to the organisation, to ensure that its policies and procedures are robust and relevant, to be responsible for the good financial management and budgeting processes.

Risk and Internal Control

The Trustees have overall responsibility for ensuring the Charity has the most appropriate and effective control systems to safeguard the organisation and any of its assets. These controls protect the organisation against fraud and other irregularities. This role and the associated practices offer reassurance that:

- the Charity's assets are safeguarded against unauthorised use or disposition
- proper and reliable financial records are maintained
- the Charity complies with all relevant legislation and regulations

The organisation's policies and procedures have been reviewed and updated during the last year and continue to be revisited on a regular basis. The Board work closely with the senior staff to address risk within the operation of the organisation. This is in addition to support around financial controls from our auditors Hartley Fowler LLP.

The Trustees have reviewed the major risks to which the charity is exposed in its operation and finances. Operational risks are minimised by the implementation of appropriate policies and procedures. Insurance policies are in place to cover public liability, premises and contents, professional indemnity, vehicles, drivers and volunteers. These are reviewed annually by the Trustees.

The Trustees have identified an inherent risk in that the charity is heavily dependent on funding from the London Borough of Merton. This funding has been agreed in principle for a further year, but future funding will be subject to the changes occurring in local authority commissioning arrangements and the development of funding streams from the Sutton & Merton Primary Care Trust and Practice Based Commissioning Groups.

We shall be monitoring developments closely, but have a reasonable expectation that we are acknowledged as a key provider of services and are "fit for purpose". Other sources of income continue to be developed and the Trustees have decided that no new services will be undertaken unless specific funding is secured. The Trustees are committed to maintaining free reserves of at least six months ordinary running costs.

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Objectives and Activities

Our Purpose

To promote the relief of elderly people in any manner which now and hereafter may be deemed by law to be charitable in and around the London Borough of Merton

Aims

- to provide services and support to older people and their carers
- to involve older people in all our work and ensure that we are responsive to their needs
- to advocate and campaign on behalf of older people both individually and collectively
- to provide information that enable genuinely informed choices to be made
- to work in partnership with statutory and voluntary organisations to make the most effective use of resources

The Beneficiaries

All those 55yrs and over and their carers who live in the London Borough of Merton

Principal Activities

Day Centre

The role of the Day Centre is to offer an opportunity to maintain physical, mental and social skills, through varied activities and opportunities for social interaction. The service also offers an opportunity for respite.

The day centre operates from our premises, six days a week (Monday – Friday and Sunday). The staff team comprises 7 paid staff and 4 volunteers. We have an average of 110 visitors per week, with capacity for 120. There is no limit to the number of days any individual can attend, but the average is two days a week and the maximum six days. The majority of our visitors are housebound because of mobility or mental health issues, many are isolated and most lack direct family support. Most will receive other health or social care services to assist them to remain independent.

All those attending are assessed by us to ensure they derive the maximum benefit from the service. We receive referrals from statutory and voluntary agencies as well as from the public, faith and community groups, but we also encourage older people and their carers to self-refer.

Within the day centre format we have an exercise class, a craft class, guest speakers, aromatherapy sessions (one-to-one with a therapist), outings, visits from the local services e.g. hearing aid servicing, low vision services, community librarian, with a permanent lending library renewed every month, and a regular programme of entertainments, games and quizzes. All our visitors have access to our other services.

Our Objectives:

- to maintain numbers attending the day centre *Achieved*
- to continue to offer a varied programme to our day centre visitors *Achieved*
- to continue to identify specific training required by staff and volunteers *Achieved*

Gladstone Day Centre Consortium

Age Concern Merton formed a consortium with Merton Community Transport, St Marks Family Centre and the Merton and Morden Guild to offer a "virtual" day centre for the attendees of the Gladstone Day Centre that was closed in September 2005. The consortium is administered and co-ordinated by Age Concern Merton.

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Principal Activities - continued

Transport

Our 2 minibuses provide transport for the day centre and all our activities as required. We sold the oldest vehicle during the year to comply with new London emissions regulations (Feb 2008). We have two paid staff and two volunteer drivers, who have all undergone Midas training. All the vehicles are operated under a Section 19 permit.

We are members of the Community Transport Association and continue to collaborate with Merton Community Transport to ensure optimum use of resources and to develop new ways to meet the transport needs of older people.

Our Objectives

- to continue to ensure that the vehicles are operated within the law and to follow best practice in the operation of the fleet *Achieved*
- to ensure that drivers and escorts both paid staff and volunteers have access to appropriate training *Achieved*
- to review our fleet with regard to new emission regulations *Achieved*

Information and Advice Service

This service has continued to be well used, with a dedicated worker employed for 28 hours a week. An average of 75 people a week are helped directly by this service, either in our office or in their own homes, another 30-40 people are assisted by telephone, by post or increasingly by email. Many have been helped to claim the welfare benefits to which they are entitled and we estimate that the service has helped people to claim in total £400,000 in increased welfare benefits over the past year.

We are pleased that the Department of Work and Pensions continue to hold a weekly "surgery" in our premises, providing an additional source of specialist information and advice.

Our Objectives:

- to continue to increase the number of service users from Black and minority ethnic groups accessing our information and advice service *Achieved*
- as a result of consultation with service users and partners to ascertain "gaps" in current Information & Advice services in the borough. Work to secure funding for the service for the next three years *Achieved*

Community Activities

As the name suggests, most of the activities listed under this heading are held in community venues as well as our own premises.

- **Triwell Group** a social group with 10 – 15 members per week, organised by a volunteer
- **Coffee Boys** men only social group with an average of 12-15 members per week, organised by two volunteers
- **Exercise class** maximum of 12 participants, run by an employed tutor
- **Shopping Service** provides co-ordination and transport for people who still want to visit the large supermarkets, but need transport and in some cases assistance within the store. This service is run by a staff member and volunteers
- **Craft Class** 15 - 20 participants weekly in a class run by a paid tutor and two volunteers
- **Untold Story/Phase II:** a joint project with the National Trust. This lively group continues to meet regularly, they have organised a range of speakers and outings to places of interest and we thank the National Trust for their continued support with this work.

Our Objectives:

- to continue to support the groups effectively *Achieved*
- to seek funding for the continuation of the Untold Story Project *Achieved*

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Principal Activities - continued

Celebrating Age Festival

We continue to be centrally involved in the planning and organisation of the annual Merton Older People's Festival – Celebrating Age. We are responsible for its financial and operational administration. We have seen a growth in people attending as well as in the number of groups participating.

The Festival aims to highlight and celebrate the contribution of older people in the Borough and showcases the myriad of opportunities open to older people across the Borough. We are also able to deliver consultation and information events to ensure older people are effective partners in the commissioning and planning of services.

Our Objectives:

- to maintain the number of attendees *Achieved*
- to increase the number of events offered *Achieved*
- to secure sufficient funding for next year's Festival in good time *Partly Achieved*
- to further promote the work of the organisations involved including Age Concern Merton *Achieved*

Ageing Well

This new project, funded by a HIMP grant in collaboration with the Sutton and Merton Primary Care Trust, began in November 2004 and was completed in March 2007. The project has four distinct areas, firstly with the help of a community dietician based with us at Age Concern Merton we are delivering a series of healthy eating road shows at community venues throughout the Borough, secondly we are recruiting, supporting and training volunteer Senior Health Mentors who will visit older people at home to assist them in developing their well being or engaging in a new activity, thirdly we will be developing a series of "taster" activities to assess how older people want to look after their well being.

We also run a number of activities and events all with the theme of Ageing Well these include Belly Dancing, Shape Up Weight Loss programme, Theatre trips and holidays. We have also produced in the last year the Ageing Well Plan which is a user friendly guide for groups wanting to develop Ageing Well projects of their own.

Our Objectives:

- To deliver an Ageing Well Plan for use by others who wish to develop similar schemes *Achieved*
- To develop a plan for Ageing Well Phase II *Achieved*
- To prepare funding applications to seek continuation funding for this project *Achieved*

New Developments in the past year

Sole Mates

This is the new foot care service. This has been made possible with monies from an external funder. This service is intended to be self sustaining, a fee for each treatment is levied, but this will be below the cost of a similar treatment in the private sector. This service was developed as a direct result of what older people told us they needed and has been designed with the involvement of older people, especially the members of the Steering Group. The Trustees would like to acknowledge the professional and practical support given by the Sutton & Merton Primary Care Trust during the development of this new service. We currently expect to launch the service in July 07.

Volunteers

Age Concern Merton currently has 30 volunteers. Volunteers help in every aspect of our activities, including administration and reception duties as well as assisting staff in working with our service users. They play a most important role in ensuring the quality of our service to older people. All volunteers are interviewed, references taken up and for certain placements Criminal Records Bureau checks are carried out. All volunteers have distinct roles, with appropriate induction, support and training.

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Achievements and Performance

Quality Counts

During this period we have been preparing for our assessment under the Age Concern Federation quality assurance system Quality Counts This process covers all of our work, the standards include areas such as governance, service delivery, volunteering and campaigning Trustees, staff, volunteers and service users have worked together to discuss and prepare our report for submission in May 2008

Financial Services Authority (FSA)

Age Concern Merton (Trading) is a subsidiary limited company wholly owned by the Charity The company's role is to trade in Age Concern Enterprise Insurance products As a result of changes in the regulation of the Insurance industry as a whole in 2005/6, the Board made the decision in line with many other federation members to undertake the requisite work required by the regulations set out by the FSA to allow us to continue to trade and thus generate much needed unrestricted income for the Charity

We have been successful in meeting the regulatory framework required by the FSA to allow us to continue trading in insurance products We will be inspected on an annual basis and in the summer of 2005 we were commended by Age Concern Enterprises for our performance with the "mystery shopper" quality control exercise

The work required to ensure we fulfilled the regulatory conditions and continuing professional development have entailed the Chief Executive (Approved Person status) and the Trading Officer (Appointed Person status) attending relevant training courses and successfully completing the competency framework Subsequently staff and volunteers with front line roles have also undergone relevant training and competency tests All the above have annual refresher training and competency tests

Training

A training plan drawn up each year reflects a continuing commitment by the Board to enhancing Trustee, staff and volunteer skills and personal development Training is a separate budgetary heading allowing the Board and Chief Executive to align the training plan and financial resources required early in the financial planning cycle Staff and volunteers have attended training on the following topics Food Hygiene, Moving & Handling, Sensory Awareness, Safeguarding Adults, Commissioning & Tendering, Fire Regulation, Mental Capacity Act, Midas & Midas refresher training

Other Charitable Funds

We continue to administer two local charity funds Mitcham United Charities and the Nursing Aids and Comforts in Sickness Fund We continue to publicise and award grants to individuals in need

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Achievements and Performance - continued

External Relationships

Age Concern Merton is an independent charity, responsible for its own policy, direction, and funding. We are a subscribing member of a network of charities sharing similar objectives, called the Age Concern federation.

To be accepted for membership of this federation, Age Concern Merton has had to meet exacting standards of service delivery known as the Age Concern Quality Counts mark, which is re-assessed every few years (as described earlier under Performance and Achievements).

Age Concern Merton contributes to the Age Concern federation in a number of ways. As well as paying subscription fees to the federation, and separately contributing to the costs of regional meetings and networks, we also undertake unremunerated assessments of grant applications made by local Merton charities to Age Concern England. We also raise policy issues that may benefit from work at national level.

We pursue locally issues raised at national level. We provide case studies and we arrange for local older people to act as spokespeople on national topics. We provide ideas and input into discussions and consultations on policy matters. Staff and Trustees attend a range of federation meetings to help set the direction of the federation and to share 'best practice' and ideas. We receive monthly information and updates that may be of interest to local Age Concern charities from Age Concern England, which undertakes national policy and campaigning work, and to whom we can periodically apply for modest amounts of funding for specific project work.

Through the Age Concern federation, we also have access to training for staff and volunteers, at a reduced cost, to "best practice" examples from other Age Concern charities around the country, and to training and support for Trustees.

Age Concern Merton works actively to develop the existing relationships with partners we have established in previous years and seeks to develop new ones. We currently work closely with our member groups which number 20 and a further 40 through our work with the Festival. We have seen an encouraging increase in the involvement with our work of Black and Minority Ethnic groups across the organisation through volunteering, joint activities, service user referral, and representation in our membership.

We represent older people and the voluntary sector at a strategic level at health and local authority partnership bodies. This is an increasing part of our work due to the changing climate which sees the voluntary sector taking a greater role in the planning and design of services and delivery of those services. Our Chief Executive currently Chairs the Older People's Housing Strategy Team for the borough of Merton and is the voluntary sector representative for the Sutton & Merton Primary Care Trust Locality Executive Committee to name but two.

Financial Review

The Trustees are satisfied that the charity is financially sound. Net current assets have increased by £5,015 in the year. Total reserves remain healthy. Work has been completed on our three year Business Plan and progress is now being made to achieve its aims.

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT – (CONTINUED)

Reserves

The Trustees have adopted a reserves policy, which they consider appropriate to ensure the continued ability of the Charity to meet its objectives

Reserves are defined as that part of the organisation's investments and current assets that are freely available for its general purposes. Reserves are therefore the resources that Age Concern Merton has available to spend for any or all of the Charity's purposes once all the expenditure and commitments have been met

The Board are mindful that reserves are required to

- ensure the sustainability of the Charity's activities in the Merton area through periods of economic downturn and uncertainty
- to exercise the option to develop new services or expand current ones in line with changing needs of the community, whilst existing clients and staff during periods of change
- to ensure the delays in receipt of expected income do not interrupt services or cause serious financial difficulties for Age Concern Merton
- to survive unexpected setbacks and problems arising from external and internal causes

In line with other policies the reserves policy has been reviewed. Consideration was given to risk, probability and likely impact on our ability to meet our financial obligations or reduce our expenditure in the short term as a result of a decline in income, ensuring that the Charity is in a position to maximise investment opportunity. As a result the Board maintains free reserves to cover six months operating costs

Principle Funding Sources

The majority for the grant funding comes from the local authority the London Borough of Merton. This funding has been agreed in principle for a further year, but future funding will be subject to the changes occurring in local authority commissioning arrangements. The organisation also has attracted funding from the Sutton & Merton Primary Care Trust Health Improvement Fund and also generates (through our trading activities) unrestricted funding for the Charity

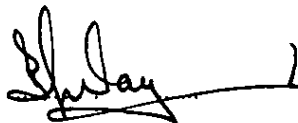
Investment Policies and Performance

Aside from retaining a prudent amount in reserves each year, the organisation investments are based around the use of COIF Charities Deposit Fund operated by CCLA Investment Management Ltd and National Savings products, which currently give the best return for the Charity's monies. The Board has designated funds for the replacement of its minibus fleet, this is a rolling programme to ensure there are sufficient funds to meet the cost of replacement of the vehicles as required

Auditors

A resolution to re-appoint Hartley Fowler LLP will be proposed at the Annual General Meeting

Approved by the trustees on 24 September 2007 and signed on their behalf by



B J Wagner
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

We have audited the financial statements of Age Concern Merton Limited for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members 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 the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of Age Concern Merton Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion, the Directors' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information beyond that referred to in this paragraph.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

In our opinion the information given in the Directors' Report is consistent with the financial statements


HARTLEY FOWLER LLP
Registered Auditor
Chartered Accountants

**4th Floor Tuition House
27/37 St George's Road
Wimbledon
London
SW19 4EU**

19 September 2007

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2007**

| | | General Fund | Restricted Funds | Total funds 2007 | Total funds 2006 |
|---|--------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Notes | £ | £ | £ | £ |
| Incoming resources | | | | | |
| Incoming resources from generating funds | | | | | |
| Voluntary income | 3 | 22,957 | - | 22,957 | 23,042 |
| Activities for generating funds | | - | - | - | - |
| Investment income | | 5,813 | 1,467 | 7,280 | 9,099 |
| Incoming resources from charitable activities | 4 | 148,109 | 130,572 | 278,681 | 235,965 |
| Total incoming resources | | <u>176,879</u> | <u>132,039</u> | <u>308,918</u> | <u>268,106</u> |
| Resources expended | | | | | |
| Charitable activities | 5 | 207,255 | 102,317 | 309,572 | 285,390 |
| Governance costs | 6 | 6,349 | 2,525 | 8,874 | 12,558 |
| Total resources expended | | <u>213,604</u> | <u>104,842</u> | <u>318,446</u> | <u>297,948</u> |
| Net movement in funds for the year | | (36,725) | 27,197 | (9,528) | (29,842) |
| Other recognised gains and losses | | | | | |
| Gains on investments | | | | | |
| Realised | | - | - | - | - |
| Unrealised | 9 | 66 | - | 66 | 482 |
| Transfers | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds for the year after transfers | | (36,659) | 27,197 | (9,462) | (29,360) |
| Total funds at 1 April 2006 | | <u>159,363</u> | <u>87,638</u> | <u>247,001</u> | <u>276,361</u> |
| Total funds at 31 March 2007 | 11/13 | <u><u>122,704</u></u> | <u><u>114,835</u></u> | <u><u>237,539</u></u> | <u><u>247,001</u></u> |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

| | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|
| | £ | £ |
| Income | 301,638 | 259,007 |
| Expenditure | <u>(318,446)</u> | <u>(297,948)</u> |
| Net operating (loss) | (16,808) | (38,941) |
| Interest receivable | <u>7,280</u> | <u>9,099</u> |
| Net historical cost (deficit) for the year | <u>(9,528)</u> | <u>(29,842)</u> |

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 13 which, together with the notes to the financial statements on pages 16 to 24 provides full information on the movements during the period on all funds of the charity

Total Recognised Gains and Losses

These are reported as a part of the Statement of Financial Activities on page 13

Continuing operations


None of the company's activities was acquired or discontinued during the accounting period

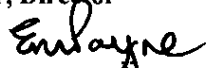
**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

BALANCE SHEET AS AT 31 MARCH 2007

| | | 2007 | | 2006 | |
|--|-------|----------------|----------------|----------------|----------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Equipment | 7 | | 22,422 | | 36,965 |
| Investments | 8 | | 3,701 | | 3,635 |
| Current assets | | | | | |
| Debtors and prepayments | 9 | 66,934 | | 65,130 | |
| Cash at bank and in hand | | 169,876 | | 147,937 | |
| | | <u>236,810</u> | | <u>213,067</u> | |
| Current liabilities | | | | | |
| Creditors | 10 | 25,394 | | 6,666 | |
| Net current assets | | | <u>211,416</u> | | <u>206,401</u> |
| Total assets less current liabilities | | | <u>237,539</u> | | <u>247,001</u> |
| Funds | | | | | |
| Restricted | 13 | 114,835 | | 87,638 | |
| Unrestricted | 11 | 62,704 | | 119,363 | |
| Designated | 12 | 60,000 | | 40,000 | |
| | | <u></u> | <u>237,539</u> | <u></u> | <u>247,001</u> |

Approved by the directors on 24 September 2007


B J Wagner, Director


Ms E Payne, Director

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

1. Charitable status

Age Concern Merton Limited is a registered charity under the Charities Act 1993 and is accordingly exempt from taxation on its charitable activities

2. Accounting policies

2.1 Accounting conventions

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities", revised in 2005

2.2 Recognition of income

Interest includes all amounts earned to 31 March 2007. Associated income tax recoveries are included for all income included in the financial statements. Dividends are included as income when received.

Donations, grants and other income are included as income when received.

2.3 Allocation of expenditure

Direct charitable expenditure includes costs directly incurred in carrying out charitable objectives.

Governance costs are costs associated with the governance arrangements of the charity which relate to the general running of the charity.

2.4 Fixed assets

Fixed assets are depreciated over their estimated useful lives. Depreciation rates are 20% on the straight-line basis.

Items over £1,000 of office equipment are capitalised.

2.5 Investments

Listed investments are included in the balance sheet at mid-market value. Gains and losses whether realised or unrealised are reflected in the Statement of Financial Activities.

2.6 Voluntary help

A significant amount of time is expended on the charity's activities, which is donated free of charge. It is not possible to quantify the value of time given and accordingly it is neither recorded as donated income nor as an expense in the financial statements. The charity currently has 36 volunteers.

2.6 Grant making

The charity administers grants on behalf of statutory funders and is not itself a grant making body.

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

3 Voluntary income

| | Unrestricted Funds 2007 £ | Restricted Funds 2007 £ | Total Funds 2007 £ | Total Funds 2006 £ |
|-----------|--|--|---------------------------------------|---------------------------------------|
| Donations | 12,323 | - | 12,323 | 8,087 |
| Gift Aid | 10,634 | - | 10,634 | 14,955 |
| | <u>22,957</u> | <u>-</u> | <u>22,957</u> | <u>23,042</u> |

4. Income from charitable activities

| | Unrestricted Funds 2007 £ | Restricted Funds 2007 £ | Total Funds 2007 £ | Total Funds 2006 £ |
|--------------------------------------|--|--|---------------------------------------|---------------------------------------|
| London Borough of Merton | 122,181 | - | 122,181 | 127,644 |
| London Borough of Merton - Gladstone | - | 62,320 | 62,320 | 30,455 |
| Celebrating Age Festival | - | 16,777 | 16,777 | 16,474 |
| Age Concern England - Winter Warmth | - | 4,100 | 4,100 | 1,000 |
| Sutton & Merton PCT – Ageing Well | - | 43,514 | 43,514 | 38,150 |
| Age Concern Income Fund Share | 2,687 | - | 2,687 | 1,221 |
| Day centre fees | 13,457 | - | 13,457 | 12,081 |
| Transport fees | 5,677 | - | 5,677 | 6,549 |
| Untold Story Project | - | 1,128 | 1,128 | - |
| Sundry income | 4,107 | 2,733 | 6,840 | 2,391 |
| | <u>148,109</u> | <u>130,572</u> | <u>278,681</u> | <u>235,965</u> |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

5. Charitable activities

| | Unrestricted Funds 2007 £ | Restricted Funds 2007 £ | Total Funds 2007 £ | Total Funds 2006 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 163,529 | 23,104 | 186,633 | 180,527 |
| Staff recruitment and training | 711 | 446 | 1,157 | 779 |
| Staff travel and volunteer expenses | 857 | - | 857 | 1,176 |
| Winter Warmth Costs | - | 1,539 | 1,539 | 1,000 |
| Food costs | 11,082 | - | 11,082 | 8,534 |
| Transport costs | - | 13,500 | 13,500 | 11,146 |
| Vehicle expenses | 12,958 | - | 12,958 | 15,009 |
| Premises and equipment hire | 5,269 | 94 | 5,363 | 5,265 |
| Printing, postage and stationery | 9,153 | 1,185 | 10,338 | 6,532 |
| Telephone | 2,828 | 183 | 3,011 | 3,299 |
| Access grant expenses | - | - | - | 1,038 |
| Day centre activities | 602 | - | 602 | 1,837 |
| Ageing Well activities | - | 4,028 | 4,028 | 1,631 |
| Gladstone costs | - | 21,663 | 21,663 | 12,315 |
| Cleaning and repairs | 4,802 | 50 | 4,852 | 6,487 |
| Room hire | 1,795 | - | 1,795 | 833 |
| Celebrating Age Festival | - | 10,046 | 10,046 | 10,047 |
| Sundries | 1,611 | 3,190 | 4,801 | 2,620 |
| Depreciation | 14,543 | - | 14,543 | 14,543 |
| Management charges | (23,064) | 23,064 | - | - |
| Subscriptions and affiliation fees | 482 | - | 482 | 772 |
| Bank charges | 97 | - | 97 | - |
| Untold Story Project | - | 225 | 225 | - |
| | <u>207,255</u> | <u>102,317</u> | <u>309,572</u> | <u>285,390</u> |

Wages and salaries

| | 2007 Number | 2006 Number |
|---|----------------|----------------|
| The average weekly number of persons employed during the period was | | |
| Full time | 1 | 1 |
| Part time | 13 | 13 |
| | <u>14</u> | <u>14</u> |
| Staff costs were | | |
| Wages and salaries | 172,035 | 165,740 |
| National insurance | 14,598 | 14,787 |
| | <u>186,633</u> | <u>180,527</u> |

No employee was paid over £60,000 during the period

No remuneration was payable to trustees for the period There were no out of pocket expenses reclaimed by trustees

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

6. Governance costs

| | Unrestricted Funds 2007 £ | Restricted Funds 2007 £ | Total Funds 2007 £ | Total Funds 2006 £ |
|---|--|--|---------------------------------------|---------------------------------------|
| Audit and accountancy fees | 3,190 | - | 3,190 | 4,073 |
| Consultancy fees – business plan | - | - | - | 6,750 |
| Legal fees | 1,236 | - | 1,236 | - |
| Age Concern England accounting fees | 1,923 | - | 1,923 | 1,206 |
| External Evaluation of Ageing Well Scheme | - | 2,525 | 2,525 | 529 |
| | <u>6,349</u> | <u>2,525</u> | <u>8,874</u> | <u>12,558</u> |

Included in governance costs were the following amounts

| | |
|-------------|--------|
| Audit fees | £2,350 |
| Accountancy | £840 |

7. Tangible fixed assets

| | Vehicles £ | Equipment £ | Total £ |
|------------------------|-----------------------|------------------------|--------------------|
| Cost | | | |
| At 1 April 2006 | 53,656 | 31,100 | 84,756 |
| Additions | - | - | - |
| Disposals | - | - | - |
| | <u>53,656</u> | <u>31,100</u> | <u>84,756</u> |
| At 31 March 2007 | 53,656 | 31,100 | 84,756 |
| Depreciation | | | |
| At 1 April 2006 | 32,193 | 15,598 | 47,791 |
| Charge for the year | 10,731 | 3,812 | 14,543 |
| Disposals | - | - | - |
| | <u>42,924</u> | <u>19,410</u> | <u>62,334</u> |
| At 31 March 2007 | 42,924 | 19,410 | 62,334 |
| Net book values | | | |
| At 31 March 2007 | <u>10,732</u> | <u>11,690</u> | <u>22,422</u> |
| Net book values | | | |
| At 31 March 2006 | <u>21,463</u> | <u>15,502</u> | <u>36,965</u> |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

8. Investments

| | 2007 £ | 2006 £ |
|----------------------------------|--------------|--------------|
| Quoted investments: | | |
| Market value as at 1 April 2006 | 3,630 | 3,148 |
| Net unrealised investment gain | 66 | 482 |
| | <u>3,696</u> | <u>3,630</u> |
| Market value as at 31 March 2007 | <u>3,696</u> | <u>3,630</u> |
| Historical cost of investment | <u>660</u> | <u>660</u> |

Quoted investments comprise shares listed on a recognised stock exchange. Their value is determined by the mid-market value at the balance sheet date.

In addition to the quoted investments shown above, the Charity owns the following shares in its unlisted subsidiary companies. The trustees consider that the market value thereof is not materially in excess of their cost value.

| Unquoted investments: | Percentage holding | Country of incorporation | Investment at cost £ |
|--------------------------------------|--------------------|--------------------------|-------------------------|
| Optional Care Limited | 100 | England | 3 |
| Age Concern (Merton) Trading Limited | 100 | England | 2 |

The results of the subsidiary companies for the period ended 31 March 2007 and their retained reserves are as follows:

| | Optional Care Limited £ | Age Concern (Merton) Trading Limited £ |
|-------------------------------------|-------------------------------|---|
| Turnover | 24,042 | 19,446 |
| (Loss)/Profit before taxation | (668) | - |
| Retained profit/(loss) for the year | (668) | - |
| Reserves at 1 April 2006 | (3,747) | - |
| Reserves at 31 March 2007 | (4,415) | - |

9. Debtors

| | 2007 £ | 2006 £ |
|--------------------------------------|---------------|---------------|
| Other debtors | 5,048 | 7,176 |
| Optional Care Limited | 14,218 | 13,389 |
| Age Concern (Merton) Trading Limited | 18,284 | 22,183 |
| Accrued income | 29,384 | 22,382 |
| | <u>66,934</u> | <u>65,130</u> |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

10 Creditors

| | 2007 £ | 2006 £ |
|-----------------|---------------|--------------|
| Other creditors | 4,058 | 161 |
| Accruals | 5,163 | 6,505 |
| Deferred income | 16,173 | - |
| | <u>25,394</u> | <u>6,666</u> |

11. Unrestricted funds

| | Balance brought forward at 1 April 2006 £ | Income £ | Expenditure £ | Transfers £ | Gain on investment assets £ | Balance carried forward at 31 March 2007 £ |
|------------------|--|----------------|------------------|----------------|--------------------------------------|---|
| General funds | 119,363 | 176,879 | 213,604 | (20,000) | 66 | 62,704 |
| Designated funds | | | | | | |
| Bus Fund | 40,000 | - | - | 20,000 | - | 60,000 |
| | <u>159,363</u> | <u>176,879</u> | <u>213,604</u> | <u>-</u> | <u>66</u> | <u>122,704</u> |

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

| 12 Designated funds | Bus Fund | Total |
|----------------------------------|-----------------|-----------------|
| | £ | £ |
| Brought forward at 1 April 2006 | 40,000 | 40,000 |
| Transfer to general fund | - | - |
| Transfer from general fund | 20,000 | 20,000 |
| | <u> </u> | <u> </u> |
| Carried forward at 31 March 2007 | <u>60,000</u> | <u>60,000</u> |

There was a need to replace two minibuses in 2004 and the fund, held by Age Concern Merton was to earmark funds for this purpose. Further earmarking of funds is now being done to build up funds for the next replacements in 2007/2008.

13. Restricted funds

| | Balance brought forward at 1 April 2006 | Income | Expenditure | Transfers to general fund | Balance carried forward at 31 March 2007 |
|--|--|----------------|--------------------|--|---|
| | £ | £ | £ | £ | £ |
| Mitcham United Fund | 22,616 | 1,467 | 3,008 | - | 21,075 |
| Nursing Comforts and Aid in Sickness Fund | 8,824 | - | - | - | 8,824 |
| Access Grant | 850 | - | - | - | 850 |
| Celebrating Age Festival | 7,216 | 16,777 | 11,722 | - | 12,271 |
| Ageing Well | 36,477 | 46,247 | 34,557 | - | 48,167 |
| Age Concern – Winter Warmth | - | 4,100 | 1,539 | - | 2,561 |
| Gladstone Day Centre | 11,655 | 62,320 | 53,791 | - | 20,184 |
| Untold Story Project | - | 1,128 | 225 | - | 903 |
| | <u>87,638</u> | <u>132,039</u> | <u>104,842</u> | <u>-</u> | <u>114,835</u> |

Mitcham United Fund

To relieve either generally or individually persons in the Mitcham area who are in need, hardship or distress by making grants of money, or purchasing items, services etc on their behalf.

Nursing Comforts and Aid in Sickness Fund

Generally benefit the sick poor of the Mitcham area either generally or individually. The accounts of both these charities are included in the accounts of Age Concern Merton. These funds provide us with a resource for making small grants to older people in particular need.

Access Grant

Age Concern Merton was granted monies by Age Concern England to upgrade our facilities. We are a fully accessible building but we wished to upgrade certain features in line with modern standards.

The doorway between the day centre and the conservatory was widened to facilitate easier access. We had all our hand dryers converted to automatic making them easier to use, we had emergency call alarms fitted to the day centre lavatories and increased the number of small aids.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

13. Restricted funds - continued

Celebrating Age Festival

Now in its second year, the Festival aims to showcase the talents of people 50+, as well as the organisations and services for all those 50+ in the borough of Merton

We aim to raise the profile of both individuals and groups to celebrate how people 50+ contribute to the borough and highlight what is on offer for them and their carers

Over 60 different groups-statutory, business, voluntary and user led groups join us in producing a two-week fun packed programme. Festivals such as the one described are being taken up by many Age Concerns around the country and the GLA

Funding came principally from the London Borough of Merton with all the groups contributing to their own events in some way

Ageing Well

This is a three-year project funded by the Health Improvement Fund aimed at working with older people to improve their health and well being. This project is run in conjunction with the Merton & Sutton Primary Care Trust

A range of activities will be developed in conjunction with older people in Merton, looking particularly at healthy eating and assisting those who are isolated for some reason from accessing healthy lifestyle activities. In addition a team of Senior Health Mentors -older people themselves will be recruited, trained and supported to help these isolated individuals

We are working jointly with the Dietetics department of the Primary Care Trust and have a dietician situated with us here in the community. Through the presentation of Healthy Eating Road Shows to groups and day centres etc we hope to dispel commonly held myths about diet and promote well being

The Ageing Well Plan will be developed in year 3 to encompass the service user's views on the project, what activities and events worked and how those in isolated situations were assisted to get the most out of life

We hope that Ageing Well will be a "vehicle" to deliver a range of health promotion activities to improve opportunities for older people across the borough to look after their physical, mental, social, financial and environmental health

Winter Warmth Grant

Age Concern Merton successfully applied for funding from Age Concern England's Winter Warmth Grant Fund. £1000 was awarded and this was used to fund one third of the cost of three borough wide events held in conjunction with the London Fire Brigade and Trading Standards

The events focused on the key themes of electric blanket safety testing, fire safety with the provision of free smoke alarms, health advice, dietary advice, home repairs, consumer rights, welfare benefits advice and promotion of the Mascot pendant alarm service. Of those blankets that failed their safety test a replacement blanket was given to the older person from the funds raised by the three partner agencies

Gladstone Day Centre Consortium

Age Concern Merton formed a consortium with Merton Community Transport, St Marks Family Centre and the Merton and Morden Guild to offer a "virtual" day centre for the attendees of the Gladstone Day Centre that was closed in September 2005. The 75 attendees were invited to opt to attend any of the three centres named above with Merton Community Transport providing transport assistance. The consortium is administered and co-ordinated by Age Concern Merton

**AGE CONCERN MERTON
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2007**

14. Analysis of Net Assets Between Funds

| | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total 2007 | Total 2006 £ |
|--------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------------|
| Tangible assets | 22,422 | | | 22,422 | 36,965 |
| Investments | 3,701 | | | 3,701 | 3,635 |
| Net current assets | 36,581 | 60,000 | 114,835 | 211,416 | 206,401 |
| Total | <u>62,704</u> | <u>60,000</u> | <u>114,835</u> | <u>237,539</u> | <u>247,001</u> |