



Annual Report 2009

Financial Review April 2008 to March 2009

The consolidated financial statements are presented in the standard format required by The Charities (Accounts and Reports) Regulations 2005 and the Charity Statement of Recommended Practice 2005 (SORP) and cover the activities of Age Concern Stockport and its trading subsidiary Age Concern Stockport Trading Limited for the period 1 April 2008 to 31 March 2009.

Following a comprehensive review of auditors by the trustees in August 2005 Lacy Watson were reappointed as the organisation's auditors at the 2008 Annual General Meeting and they have formally and independently audited the accounts for the year and a Statement of Financial Activities has been produced in accordance with good practice and the requirements of the Charity Commission.

Overview

Age Concern Stockport had a solid year in the period April 2008 to March 2009. Good control over costs has enabled the trustees to increase designated funds in line with expected expenditure beyond the budget and particularly to maintain the general contingency fund to the policy level of six months expenditure.

The Consolidated Accounts

The consolidated accounts for the year show the following:

Income	Expenditure				
	2008	2009		2008	2009
Statutory Contracts	55%	55%	Charitable Expenditure	87%	88%
Other Grants	22%	24%	Commercial Trading Expenses	10%	9%
Charitable Income	4%	4%	Fundraising Expenses	1%	1%
Trading Income	11%	10%			
Investment Income	5%	4%	Admin & Management Governance Costs	2%	2%
Donations & Legacies	3%	3%			

Total incoming resources showed an increase of £96,923 represented largely by new grants. The level of donations in the year was very similar to the previous year and the level of income from legacies increased. The level of income enjoyed from this source is hard to control or predict and as last year is down on the more generally economically stable years of 2004 to 2006. However it remains very welcome and represents a significant and vital contribution to funds.

Charitable activities expenditure increased in line with incoming resources and this was represented by staffing and associated costs in relation to the new areas of work. The percentage of charitable activities expenditure increased again from 87% to 88% which clearly indicates the level of work in pursuing the charity's main objectives and the overarching aim of providing public benefit to the communities we serve. Staff costs represent the principal element of the expenditure and staff numbers and costs were up on last year. Charitable activities expenditure still represents the vast majority of expenditure as appropriate for an organisation whose key objectives are in delivering services.

Some resources have again been put into Fundraising costs to continue to attract additional funding to meeting the organisation's objectives. In particular efforts continue to attract monies from sources external to Stockport as this brings additional monies and benefit into the Borough. As expected the level of investment in fundraising increased back to the level of two years previously. The success rate on applications continues to be good and above average and significantly assists the organisation to meet its priorities. Particularly, there was an increase in fundraising events and income, following a positive decision to promote the organisation and bring in more unrestricted funds through these activities. Governance costs have reduced from £26,317 to £25,644 due to ongoing cost control measures, a general move towards full cost recovery and a continued refocusing of resources to service delivery.

Commercial Trading Operations

Age Concern Stockport Trading Limited is a wholly owned subsidiary and encompasses the varied activities that generate essential independent income for the charity. This includes Insurance products, plus Funeral plans, Energy products and others. The Trading Company exists to provide relevant products and to support the work of the charity and all surplus funds generated by it are transferred directly to the charity under a Deed of Covenant.

Work continued during the year locally and nationally to ensure full and proper regulation for the insurance products. In January 2005 Age Concern Stockport Trading Limited became an Appointed Representative of Age Concern Enterprises Ltd, which is authorised and regulated by the Financial Services Authority (FSA) for general insurance. Throughout the year 2008/09 the organisation continued to be fully compliant, including a successful external review of compliance with FSA procedures.

The trading activities have continued to be affected, nationally and locally, by the impact of the rapid expansion of competition in the over 50's market for insurance and other products. Despite a very pleasing increase in the volume of trading activity the gross income showed only a marginal increase due to improved products but reduced commissions. However, against this tight controls meant a small reduction in overall costs. As a result the Deed of Covenant received has remained lower but continues to make an important contribution to the work of the charity, and as in all previous years since trading began the covenant payment represents a proportion of the overall surplus for the year. The contribution to the charity for this work will be regularly monitored by the Board of the Trading Company and the charity trustees.

Shops: The three shops held in partnership with Age Concern Retail in Bramhall, Cheadle Hulme and Heald Green continue to make a good contribution to general funds. The one wholly owned shop in Lower Hillgate had been seriously struggling for some years and was passed over to Age Concern England Retail in October 2008 to enable them to bring their expertise and economies of scale to see if the shop could be put back on a sustainable footing.

Restricted & Unrestricted Funds

Within the consolidated accounts funds are divided between Restricted and Unrestricted Funds. Restricted Funds are monies which are restricted in their use by the donor for specific purposes and are held by the organisation only for those purposes. The balances in these funds therefore represent monies held over and are protected for use within the specific areas of work. Unrestricted Funds represent the funds that have not been restricted by the donor and are available to the organisation.

The components of the unrestricted funds are shown below:

Unrestricted Funds	2007	2008	2009
Fixed Asset Fund – a permanent designated fund matched to fixed assets. These represent functional assets, principally the property at Commonweal, which could only represent useable funds through disposal, which would seriously prevent the work of the charity.	31%	28%	29%
Contingency or Reserves Fund – to enable the level of protection for the future as determined by the trustees in their policy on reserves	52%	51%	51%
Designated Fund - for specific identifiable future expenditure that is not expected to be met through the annual budget – see below.	13%	16%	17%
General Reserve – general surplus	4%	5%	3%

The remaining General Reserve will be used to contribute to the significant costs of senior and project manager's staff time in representing both the voluntary sector and older people through partnership working and via various multi-agency groups around the Borough.

The net movement in unrestricted funds represents the contribution to the organisation from the various activities that are specifically undertaken to raise independent funds:

Donations and legacies	£53,485	
Trading income	£24,563	
Investment and other income	<u>£50,689</u>	
Total Additional Unrestricted income	£128,737	
Less: Deficit on other activities		(£47,731)
Net movement in Unrestricted Funds		<u>£81,006</u>

Up to 2003 most of the additional unrestricted income from trading activities, investments and donations was largely absorbed in supporting under funded or unfunded charitable activities, but the charity was still able to finish the year with a modest surplus.

However for the last six years these activities and the additional income they have produced have been fully absorbed in preventing the year finishing with a significant deficit on charitable activities. This level of support from Age Concern Stockport's own resources to ongoing delivery is monitored by the trustees to ensure appropriate efforts to raise these independent funds are maintained. The first deficit on activities of £24,563 in 2004 raised to a peak deficit of £78,237 in 2005. The 2008/9 deficit of £47,731 has increased from a deficit of £38,006 in the previous year.

Designated Funds

Following ongoing review during the year the amount of unrestricted funds designated by the trustees has been adjusted to reflect the expected call on the organisation's funds. Particular attention has been paid to the Fixed Assets, the property at Commonweal, which continues to represent the major strand of the organisation's investment policy, and to an awareness of the wider economic situation.

Funds designated for fixed asset maintenance £52,000	The Accommodation and Maintenance Fund was established to provide sufficient funds to maintain a building which was essential to the organisation of the charity and the efficient provision of its services. The reserve has been reviewed and reflects the anticipated ongoing maintenance cost of the charity's premises.
IT Development & Contingency Fund £8,000	The IT Development & Contingency Fund is a fund set up following a full review and improvement in the computer infrastructure and planning for the necessary maintenance of the system; in recognition that this is now a crucial part of the organisation's operations.
Communications Fund £8,000	The Communication Strategies Fund is maintained to ensure the aims and values of accessibility and fairness in supporting local people are achieved. This will include investment in promotional work including maintaining a new website and increasing newsletter distribution, and in dealing with accessibility and diversity issues.
Pop In costs £14,000	Maintained at the same level as the previous year as the development of the Pop In as a social centre was delayed following changes with the shop and in the area and continues to be reviewed.
Project Contingency £26,000	Designated funds represent a contingency against a budgeted deficit for 2009/10.
Vehicle replacement £38,000	A change in plans has meant the current vehicle has been donated by the organisation to a new Gardening project. A new cost has therefore been designated to purchase without a vehicle to trade in.
Development Fund 27,000	The Development Fund represents anticipated support costs for projects that will not be fully covered by funding bodies and will require some support from the charity's resources; and increased for projects that have been identified for support from the charity's funds.
Emergency Planning Fund £13,000	The Emergency Planning Fund represents a fund set aside to provide backup in the case of an emergency event or pandemic, following local and national advice. In view of developed understanding and planning the fund has been retained with a slight increase.
Standards Fund inc. Intranet Development £18,000	This fund is to cover additional investment in the organisation quality standards and its internal infrastructure, particularly the development of the ACS Intranet to support new ways or working in relation to training and performance management. The fund has been increased in view of plans for the coming year.
Age Concern £5,200	The ACE Fund represents funds set aside to meet the ongoing cost of continued membership of the Age Concern Federation at national and regional levels, increased during the major changing environment for the charity with the creation of a new national charity.
New Structure & Brand Fund £12,000	New Structure & Brand costs represent anticipated costs following the national merger of Age Concern England and Help the Aged. Age Concern Stockport will have to respond in some way during the next twelve months which will almost certainly result in structural and branding changes.

Reserves

The trustees have continued to review both the charity's activities and its financial position, with particular regard to the level of commitments in respect of contracted services, the staffing profile and property and expected future needs and opportunities. The review focused on forecasts for levels of income and for planned expenditure in future years, and an analysis of contingencies, anticipated existing and new challenges, vulnerabilities and risks and their potential impact and likelihood. Following this detailed analysis of both restricted and unrestricted funds the policy target was unanimously confirmed as a general contingency reserve at a level of six months total running costs.

With a relevant transfer from unrestricted balances to the contingency fund, the target of six months has been maintained. The trustees note that the challenge is now to maintain the contingency reserve at this required level for prudence whilst using some of the general reserve for identified development.

Investment

The trustees recognise the current instability of the property market but still remain generally satisfied by the main strand of their investment policy represented by the purchase of the base at Commonweal in June 2002. A revaluation of the property at 31 March 2006 indicated that the investment had more than doubled in value from the original purchase cost. In addition to a good investment return the aim to remove previously identified risks and inefficiencies and to increase the opportunities for external funding, that often does not include a contribution to central costs, have all continued to be well met through this asset. In addition the ownership and control of a central base has enabled Age Concern Stockport to pursue an environmental policy, first introduced in 2005 and actively and positively championed by a group of staff. The trustees recognise that the property investment is a functional asset, meaning it could only represent useable funds through disposal which would seriously prevent the work of the charity and open it up to significant operational risks.

With the investment in securing a base completed the trustees have continued to review the designation of unrestricted funds and the investment elements of positive banking arrangements following a change in bankers in 2006 and remain satisfied in this respect. However the market drop in interest rates affected the overall position with a decrease of nearly £20,000 in investment income in the year and the trustees continue to carefully monitor the market and the overall external environment.

Volunteers

It is important to highlight that Age Concern Stockport provides a wide variety of services to older people across the Borough, from the most vulnerable to the most active. Services such as one to one support including home visiting, group support such as the Travel Desk, and through to the behind the scenes work such as the production of the ACS Newsletter are all well used and well thought of, and all involve volunteers.

There are currently **166** Volunteers (at March 2009) involved across the various projects, and pleasingly the number of volunteers has remained around the 170 mark for some years now despite a national downward trend. Estimates of value were made in 2005 by assessing the hours worked and converting this into a monetary value using appropriate hourly rates for the different types of involvement. The resulting estimate at the time was that the organisation would need to find an additional £292,634 to pay staff to cover services that were provided by volunteers. At the time of writing with an increase in the minimum wage, inflation and changes in some volunteer responsibilities this would have significantly increased to an estimated figure in the region of £405,000 at March 2009.

Risk

The trustees are fully aware of their responsibilities to identify, assess and manage risk in all areas of the organisation. The full and active implementation of a comprehensive risk management policy and procedures ensure trustees have good knowledge and information for management of all elements of the organisation's risk, and comprehensive details are included in the governance section of this report. The trustees were reassured by Age Concern Stockport being nominated as a good practice site for Risk Management in 2008 following a comprehensive independent assessment and visit as part of the organisation membership of the national federation by compliance with the Charity Commission recognised Federation Quality Counts Standard.

Public Benefit

The trustees are aware of and incorporated the most recent Charity Commission guidance on public benefit in all aspects of their governance of the charity, including when deciding what activities the charity should undertake. This financial review together with the comprehensive review of performance in the annual report, demonstrate how the key aims of the charity are carried out, through the activities undertaken, for the public benefit. The sections that provide details of activities by project and organisational actions directly related to the five key aims contained in the annual report directly demonstrate the delivery of specific services and activities that contribute to the public benefit for a wide range of beneficiaries.

Summary

In summary the accounts reflect another busy year of effective service delivery for Stockport. The trustees continue to ensure that the organisation demonstrates a sound financial base, which is a key element in successful applications for new project funding generally, and particularly for attracting funds into Stockport from outside funding agencies.

We continue to look forward to ongoing arrangements and new possibilities of partnerships with other voluntary sector agencies and also with statutory health and care partners where Age Concern Stockport can, whilst acting within its own mission, assist in delivery of statutory priorities. Full Cost Recovery is still an aim, and progress is not rapid but is being maintained in this respect.

We continue to work for positive and productive relationships with key partners in supporting local older people to live independent and fulfilling lives.

By order of the Trustees of Age Concern Stockport:



Derek Caldwell

Chair of Trustees, Age Concern Stockport

Date 5th October 2009

Age Concern Stockport Statement by Trustees

Summarised Accounts

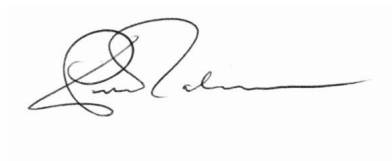
The attached summarised accounts are a summary of information extracted from the annual accounts and certain information relating to both the Statement of Financial Activities and the Balance Sheet.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the charity. For further information, the full annual accounts and the trustees' annual report, should be consulted: copies of these can be obtained from Commonweal, 56 Wellington Street, Stockport.

The full annual accounts have been subject to external examination by an independent auditor and received an unqualified report.

The annual accounts were approved by the trustees on 5th October 2009 and have been submitted to the Charity Commission.

Signed:



Mr. Derek Caldwell,

For and on behalf of the Board of Trustees

5th October 2009

Independent Auditors' Statement to the Trustees of Age Concern Stockport

We have examined the summarised financial statements of Age Concern Stockport.

Respective responsibilities of trustees and auditors

The trustees are responsible for preparing the summarised annual report in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the Summarised Financial Statements within the Summarised Annual Report, with the full Financial Statements and Trustees' Report. We also read the other information contained in the Summarised Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summarised Financial Statements.

Basis of Opinion

We have conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion, the summarised financial statements are consistent with the full Financial Statements and Trustees' report of Age Concern Stockport for the year ended 31st March 2009.

Lacy Watson, Chartered Accountants

**107 Wellington Road South,
Stockport, Cheshire. SK1 3TL**

5th October 2009

**Age Concern Stockport
Summarised Financial Statements
year ended 31 March 09**

CONTENTS

Consolidated Statement of Financial Activities

Balance Sheets

Notes to the Financial Statements

AGE CONCERN STOCKPORT

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2009**

	Note	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Grants and donations		53,485	-	53,485	40,940
Activities for generating funds:					
Commercial trading operations		135,586	-	135,586	145,059
Investment income		50,689	-	50,689	69,342
		<u>239,760</u>	<u>-</u>	<u>239,760</u>	<u>255,341</u>
Incoming resources from charitable activities		<u>782,229</u>	<u>372,059</u>	<u>1,154,288</u>	<u>1,041,784</u>
Total incoming resources		<u>1,021,989</u>	<u>372,059</u>	<u>1,394,048</u>	<u>1,297,125</u>
Resources expended					
Cost of generating funds					
Fundraising costs of grants and donations		15,412	-	15,412	4,846
Commercial trading operations		111,023	-	111,023	117,990
		<u>126,435</u>	<u>-</u>	<u>126,435</u>	<u>122,836</u>
Charitable activities	1	788,904	372,061	1,160,965	1,030,071
Governance costs		25,644	-	25,644	26,317
		<u>814,548</u>	<u>372,061</u>	<u>1,186,609</u>	<u>1,056,388</u>
Total resources expended		<u>940,983</u>	<u>372,061</u>	<u>1,313,044</u>	<u>1,179,224</u>
Net movement of funds in year		81,006	(2)	81,004	117,901
Total funds brought forward		<u>1,204,933</u>	<u>406,852</u>	<u>1,611,785</u>	<u>1,493,884</u>
Total funds carried forward		<u>1,285,939</u>	<u>406,850</u>	<u>1,692,789</u>	<u>1,611,785</u>

AGE CONCERN STOCKPORT

**BALANCE SHEETS
AT 31ST MARCH 2009**

		Group		Charity	
	Note	2009 £	2008 £	2009 £	2008 £
Fixed assets					
Tangible fixed assets		374,946	355,374	374,946	355,374
Investment in Trading subsidiary		-	-	2	2
		<u>374,946</u>	<u>355,374</u>	<u>374,948</u>	<u>355,376</u>
Current assets					
Stock		483	-	-	-
Debtors		121,065	80,575	112,791	83,800
Cash at bank and in hand		1,623,449	1,429,156	1,615,148	1,419,046
		<u>1,744,997</u>	<u>1,509,731</u>	<u>1,727,939</u>	<u>1,502,846</u>
Creditors amounts falling due within one year		<u>(427,154)</u>	<u>(253,320)</u>	<u>(410,098)</u>	<u>(246,437)</u>
Net current assets		<u>1,317,843</u>	<u>1,256,411</u>	<u>1,317,841</u>	<u>1,256,409</u>
Net assets		<u>1,692,789</u>	<u>1,611,785</u>	<u>1,692,789</u>	<u>1,611,785</u>
Funds					
Unrestricted	2	1,285,939	1,204,933	1,285,939	1,204,933
Restricted		<u>406,850</u>	<u>406,852</u>	<u>406,850</u>	<u>406,852</u>
		<u>1,692,789</u>	<u>1,611,785</u>	<u>1,692,789</u>	<u>1,611,785</u>

Approved by the Board of Trustees on 5th October 2009
And signed on its behalf by



Mr. D. Caldwell
Chairperson

AGE CONCERN STOCKPORT

NOTES TO THE SUMMARISED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

1. Charitable activity expenditure

	Unrestricted funds £	Restricted funds £	2009 £	2008 £
Prevention Services	316,456	182,880	499,336	446,495
Hospital Services	71,382	-	71,382	80,610
Carers and Direct Care Services	346,360	61,833	408,193	331,744
Community Support	42,430	112,299	154,729	156,870
Other	12,276	15,049	27,325	14,352
	<u>788,904</u>	<u>372,061</u>	<u>1,160,965</u>	<u>1,030,071</u>

2. Unrestricted Funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	Balance at 31 st March 2008 £	Transfer from/(to) Income & Expenditure Account £	Transfer of funds £	Balance at 31 st March 2009 £
General Contingency Fund	610,000	-	46,522	656,522
Accommodation and Maintenance Funds	50,000	-	2,000	52,000
IT Development & Contingency Fund	10,000	-	(2,000)	8,000
Communication Fund	8,000	-	-	8,000
“Pop In” Contingency Fund	14,000	-	-	14,000
Specific Project Contingency Fund	46,000	-	(20,000)	26,000
Vehicle Replacement Fund	34,000	-	4,000	38,000
Development Fund	8,000	-	19,000	27,000
Emergency Planning Fund	12,000	-	1,000	13,000
Standards Fund	13,500	-	4,500	18,000
ACE Fund	2,600	-	2,600	5,200
New structure and Brand costs	-	-	12,000	12,000
Total Designated Funds	<u>808,100</u>	<u>-</u>	<u>69,622</u>	<u>877,722</u>
Fixed Asset Fund	342,334	-	32,612	374,946
General Reserve	54,499	81,006	(102,234)	33,271
	<u>1,204,933</u>	<u>81,006</u>	<u>-</u>	<u>1,285,939</u>

AGE CONCERN STOCKPORT

NOTES TO THE SUMMARISED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

2. Unrestricted Funds continued

The General Contingency Fund represents funds set aside to mitigate the risks and vulnerabilities identified to the charity's major sources of income. The aim of the charity is to ensure that sufficient funds are available to meet its committed costs for a period of six months of both restricted and unrestricted funds. The desired level has been maintained.

The Accommodation and Maintenance Fund was established to provide sufficient funds to maintain a building which was essential to the organisation of the charity and the efficient provision of its services. The reserve has been reviewed and reflects the anticipated ongoing maintenance cost of the charity's premises.

The IT Development & Contingency Fund is a fund set up following a review of and improvement in the computer infrastructure and planning for the necessary maintenance of the system; in recognition that this is now a crucial part of the organisation's operations.

The Communication Strategies Fund is a maintained fund to ensure the organisational aims and values of accessibility and fairness in supporting local people are achieved. This will include investment in promotional work and in dealing with accessibility and diversity issues.

The Pop In fund was maintained at the same level as the previous year as the development of the Pop In as a social centre was delayed following changes with the shop and in the area and continues to be reviewed.

The Specific Project Contingency Fund represents funds set aside to meet additional costs beyond those anticipated and for which dedicated funding has been received as reflected in the budget.

The Vehicle Replacement Fund represents funds set aside to replace the charity's motor vehicle following donation of the current vehicle to a new project.

The Development Fund represents anticipated support costs for projects that will not be fully covered by funding bodies and will require some support from the charity's resources; and projects that have been identified for support from the charity's funds.

The Emergency Planning Fund represents a fund set aside to provide backup in the case of an emergency event or pandemic, following local and national advice. In view of developed understanding and planning the fund has been retained with a slight increase.

The Standards & Infrastructure fund is to cover additional investment in the organisational quality standards and its internal infrastructure, particularly the development of the ACS Intranet to support new ways of working in relation to training and performance management. The fund has been increased in view of plans for the coming year.

The ACE Fund represents funds set aside to meet the ongoing cost of continued membership of the Age Concern Federation at national and regional levels, increased during the major changing environment for the charity with the creation of a new national charity.

New Structure & Brand costs represent anticipated costs following the national merger of Age Concern England and Help the Aged. Age Concern Stockport will have to respond during the next twelve months which will almost certainly result in structural and branding changes.

The Fixed Asset Fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets.

The General Reserve represents the free funds of the charity which are not designated for particular purposes.

Administrative Details of Age Concern Stockport

Age Concern Stockport is a registered charity number 516912. The charity is governed by a constitution originally adopted in September 1984 and amended in February 1998.

The principal office is located at Commonweal, 56 Wellington Street, Stockport, SK1 3AQ.

Board of Trustees

Chair: Mr Derek Caldwell

Vice Chair: Mrs Janet E Mehta

Elected Members: Bill Armstrong
Susan Chapman
Hester Ormiston
Satish Mehta MBE
Sheelagh Peel

Co-opted Members Prof. Datta Chaudhuri

Honorary Life Members

The presiding Mayor of Stockport (President)

Mr Bryan P Lingwood (Vice President)

Principal Officers

Chief Executive Officer	Margaret J Brade, MBA, LIB Hons, BSc Hons,
Community Development Manager	Clare Mullins, BA Hons
Business Development Manager	Michelle Bancroft, BA Hons, CIM ISP

Professional Advisors

Bankers	The Co-operative Bank plc, 1 St Peters Square, Stockport SK1 1NX
Auditors	Lacy Watson, Carlyle House, 107 Wellington Road South, Stockport SK1 3TL
Insurance Brokers	Towergate MIA, Kings Court, London Road, Stevenage, Herts, SG1 2GA

Age Concern Stockport
Commonweal
56 Wellington Street,
Stockport, SK1 3AQ

Telephone: 0161 480 1211

Fax: 0161 480 3735

Email: info@ageconcernstockport.org.uk

Web: www.ageconcernstockport.org.uk



Registered Charity No. 516912