

Company registration number: 198571

CRA number: 20027254

CHY number: 10583

AGE ACTION IRELAND
COMPANY LIMITED BY GUARANTEE
Report and Financial Statements
For the year ended 31 December 2019

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

REPORT AND FINANCIAL STATEMENTS 2019

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AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

Anne Donnellan
David Healy
Lisa McKenna
Colm Nagle
Robin Webster
Tony Kehoe (Appointed 19 November 2019)
Antonina Myles (Appointed 19 November 2019)

Michelle O'Keefe
Patrick McCormack
Justin Moran
Séan William Oliver
Anna McCabe (Appointed 30 May 2019)
Ailbhe Smyth (Appointed 19 November 2019)

SECRETARY

Lisa McKenna

REGISTERED OFFICE AND BUSINESS PLACE

10 Grattan Crescent
Inchicore
Dublin 8

CHARITY NUMBER

CHY 10583
CRA 20027254

COMPANY NUMBER

198571

AUDITORS

Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

SOLICITORS

Ken Kennedy Solicitors (incorporating P.J. Walsh & Co.)
12 Upper Fitzwilliam Street
Dublin 2

BANKERS

Permanent TSB
70 Grafton Street
Dublin 2

Bank of Ireland
1 Rathfarnham Road
Terenure, Dublin 6

AIB
100/101 Grafton Street
Dublin 2

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2019.

1. OBJECTIVES AND ACTIVITIES

We aim to achieve fundamental change in the lives of all older people by empowering them to live full lives as actively engaged citizens and to secure their rights to comprehensive high-quality services according to their changing needs.

The principal activities of the organisation consist of supporting a network of organisations and individuals, concerned with ageing and older people and promoting better policies and services for older people and the carers of older people.

The main areas of attention are the development of the company's existing activities, securing adequate financial and human resources to make these sustainable, and achieving the highest standards of corporate governance.

Age Action published a high-level strategic statement in 2019 with a number of key objectives and actions under four themes;

- Equality & Human Rights
- Health & Wellbeing
- Lifelong Learning
- Professional Organisation

2. FINANCIAL REVIEW, ACHIEVEMENTS AND PERFORMANCE

The financial results for the year are set out in the Statement of Financial Activities on pages 12-13 of the financial statements.

Our work in advocacy, programmes and services continued to expand and develop during the year whilst being reviewed in the context of our values and new strategic objectives. Our Annual Report for 2019 sets out the numbers of people we supported in detail. Age Action is reviewing all of its activities to take account of best practice measures, quality for money, configuration to the emerging HSE areas and to avoid duplication with other organisations. Age Action is also exploring gaps in key supports to older people and will develop new services and supports where resources are available.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

2. FINANCIAL REVIEW, ACHIEVEMENTS AND PERFORMANCE *(continued)*

Income generation is an important feature of Age Action's work as we significantly depend on individual and corporate support to sustain our programmes. In particular, we aim to ensure our advocacy and campaigns work is funded independently of Government so that we can ensure we remain the independent voice of older people in Ireland.

Our two non-statutory means for generating income, fundraising and retail, were reviewed in 2019. The retail review commenced late in the year and the findings of the review will be known in early 2020. The fundraising review recommended a restructuring and refocusing of our fundraising approach towards a model based on corporate support and more up-to-date fundraising techniques. The Board considered the review and an implementation plan for the recommendations. Implementation of the review findings commenced in 2019. The Board recognises and is proactively addressing under-performance in its endeavour to raise independent funds. There are three broad approaches in addressing the organisation's financial stability: 1) generate greater surpluses from fundraising and retail; 2) secure additional statutory funding through relevant services; and 3) reduce costs to a sustainable level.

The board has implemented a reserves policy, which is reviewed on an annual basis. Currently that policy is to maintain reserves equivalent to a minimum of six months of operating costs. The Board recognises that it will take some time to achieve this target.

Throughout 2019 the Governance & Risk Committee reviewed Age Action's Risk Register and presented its findings to the Board. Principal risks for 2019 include financial stability and an over-reliance on once-off bequests; Board processes and succession planning; an under-representation of statutory income in Age Action's funding mix; and reputational risk due to some elements of the fundraising model. The Board has engaged proactively with these risks in 2019 and is satisfied they are being addressed in a planned and comprehensive manner. The income generation risk is addressed above. The Nominations Committee convened and agreed a process for Board recruitment and a number of new Board members joined in late 2019. The modernisation of fundraising approaches and the appointment of a new Head of Programmes will address other identified risks.

Volunteers continue to play a key role in the organisation's work. These volunteers provided a range of help, including:

- tutoring computer classes;
- care and repair work for older people;
- advocating and campaigning through our Glór groups;
- assisting fundraising; and
- working in our charity stores.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The organisation is a company limited by guarantee and does not have any share capital. All directors serve in a voluntary capacity.

DIRECTORS' REPORT

3. STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

The Board met 11 times during the year. It continued to give priority to achieving the highest standards of corporate governance, including strategic planning, financial management and fundraising.

The Finance Committee comprises the Honorary Treasurer (Chair), two other persons nominated by the Board, CEO, and Head of Finance, subject to an annual review. During the year, they meet regularly to oversee the financial management of the organisation and to monitor its progress through detailed quarterly reports. It also met as the Audit Committee with the auditors, Mazars, without staff present to consider the audit results report.

Under the organisation's induction and training policy for directors, an induction meeting is held with new directors and new directors are invited to attend a Boardmatch directors' workshop.

4. EVENTS SUBSEQUENT TO THE YEAR END

The onset of the Covid-19 pandemic created a new and unanticipated risk for the company. The temporary closure of Age Action's retail arm had a severe and immediate impact on cash flow and the company's capacity to pay the wages of those working in the retail programme. The government's wage subsidy scheme was utilised for 30 staff across the organisation. The pandemic coincided with the finalisation of the review of retail, which identified a need to address the loss-making elements of the retail programme. The directors are in the process of implementing a plan in relation to same.

The pandemic also required Age Action to adapt a number of services and the organisation played a key role in the national effort to alleviate the impact of the pandemic on older people. Age Action's values and core mission acted as a ballast during this difficult period. A number of new opportunities have emerged as a consequence of the organisation's response.

The long-term impact of the pandemic on the organisation is unknown and will be reviewed by the Board and CEO on an ongoing basis.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

5. DIRECTORS AND SECRETARY

The names of the individuals who were directors at any time during the year ended 31 December 2019 are set out below. All directors served for the entire year unless otherwise stated.

Anne Donnellan
David Healy
Patrick McCormack
Ray McGrath
Lisa McKenna
Justin Moran
Colm Nagle
Michelle O'Keefe
Seán William Oliver
Robin Webster
Anna McCabe (Appointed 30 May 2019)
Tony Kehoe (Appointed 19 November 2019)
Ailbhe Smyth (Appointed 19 November 2019)
Antonina Myles (Appointed 19 November 2019)

Company Secretary

Lisa McKenna

6. FUTURE DEVELOPMENTS

The board emphasis for the year ahead will be on supporting the CEO in establishing a sustainable cost base for the organisation and securing adequate income to achieve its objectives and provide vital supports to older people. The Board will continue focusing on Age Action's compliance with the Charity Regulator's Governance Code.

The Board also look forward to engaging fully in the development of a values-based approach to Age Action's work.

7. ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of the accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 10 Grattan Crescent, Inchicore, Dublin 8.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

8. STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 332 of the Companies Act 2014:

- (a) so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

9. AUDITORS

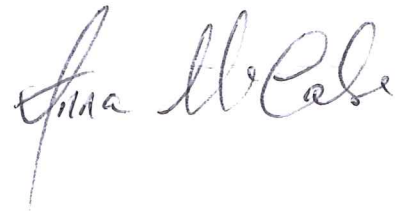
Mazars, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to be re-appointed in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

Colm Nagle
Director



Anna McCabe
Director



29 May 2020

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. Under the law, the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end and of the results of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from those standards; and
- 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and results of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

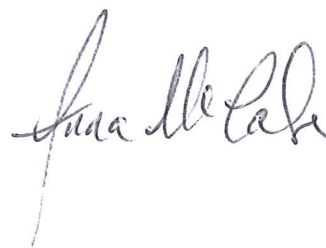
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Colm Nagle
Director



Anna McCabe
Director



29 May 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Age Action Ireland Company Limited by Guarantee ('the company') for the year ended 31 December 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

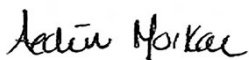
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Aedín Morkan
For and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

30 June 2020

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

	Notes	Designated Funds 2019 €	Restricted Funds 2019 €	Unrestricted Funds 2019 €	Year ended 31 December 2019 €	Designated Funds 2018 €	Restricted Funds 2018 €	Unrestricted Funds 2018 €	Year ended 31 December 2018 €
Income from:									
Charitable activities									
Grants		-	688,813	424,764	1,113,577	-	582,274	411,807	994,081
Community employment programme		-	-	517,293	517,293	-	-	465,555	465,555
Donations and legacies									
Donations and gifts		-	20	240,448	240,468	-	40,225	275,139	315,364
Legacies		-	-	50,000	50,000	-	-	26,445	26,445
Membership subscriptions		-	-	38,279	38,279	-	-	44,233	44,233
Other trading activities									
Charity stores	6	-	-	1,181,263	1,181,263	-	-	992,470	992,470
Fundraising events		-	-	102,735	102,735	-	890	175,285	176,175
Other income									
Rent income	19	-	-	50,000	50,000	-	-	4,166	4,166
Other income		-	-	30,895	30,895	-	-	32,182	32,182
Interest income		-	-	66	66	-	-	1,385	1,385
Total income		-	<u>688,833</u>	<u>2,635,743</u>	<u>3,324,576</u>	-	<u>623,389</u>	<u>2,428,667</u>	<u>3,052,056</u>

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (incorporating Income and Expenditure Account)

	Notes	Designated Funds 2019 €	Restricted Funds 2019 €	Unrestricted Funds 2019 €	Year ended 31 December 2019 €	Designated Funds 2018 €	Restricted Funds 2018 €	Unrestricted Funds 2018 €	Year ended 31 December 2018 €
Expenditure on:	6								
Charitable activities									
Project expenses		-	837,285	901,997	1,739,282	-	840,807	786,501	1,627,308
Community employment programme		-	-	517,293	517,293	-	-	465,555	465,555
Raising funds									
Expenditure on raising funds		-	-	222,418	222,418	-	890	213,762	214,652
Trading costs – store expenditure		---	---	1,056,267	1,056,267	---	---	896,127	896,127
Total expenditure		---	837,285	2,697,975	3,535,260	---	841,697	2,361,945	3,203,642
Net (expenditure)/income	7	-	(148,452)	(62,232)	(210,684)	-	(218,308)	66,722	(151,586)
Total funds brought forward	16	-	-	858,234	858,234	166,903	28,500	814,417	1,009,820
Transfer of funds		---	187,386	(187,386)	---	(166,903)	189,808	(22,905)	---
Total funds carried forward	16	---	38,934	608,616	647,550	---	---	858,234	858,234

The notes on pages 16 to 29 forms part of these financial statements.
There were no gains or losses other than those included above.
All income and expenditure is in respect of continuing activities.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

	Notes	31 December 2019 €	31 December 2018 €
FIXED ASSETS			
Tangible assets	12	<u>112,784</u>	<u>153,733</u>
CURRENT ASSETS			
Debtors	13	243,033	150,335
Cash at bank and in hand		<u>629,183</u>	<u>942,674</u>
		872,216	1,093,009
CREDITORS			
Amounts falling due within one year	14	<u>(337,450)</u>	<u>(388,508)</u>
NET CURRENT ASSETS		<u>534,766</u>	<u>704,501</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>647,550</u>	<u>858,234</u>
FUNDS OF THE CHARITY			
Unrestricted funds	16	608,616	858,234
Restricted funds	16	<u>38,934</u>	<u>-</u>
TOTAL CHARITY FUNDS		<u>647,550</u>	<u>858,234</u>

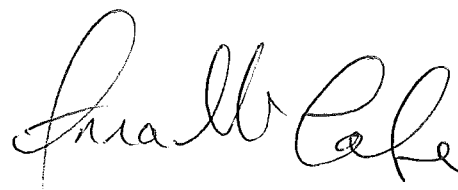
The notes on pages 16 to 29 forms part of these financial statements.

On behalf of the Board

Colm Nagle
Director



Anna McCabe
Director



29 May 2020

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2019 €	Year ended 31 December 2018 €
Cashflows from operating activities			
Net expenditure for the year		(210,684)	(151,586)
Adjustments for:			
Depreciation	12	<u>72,197</u>	<u>60,729</u>
Operating expenditure before working capital			
Changes		(138,487)	90,857
Increase in debtors		(92,698)	(66,253)
(Decrease)/ increase in creditors		<u>(51,058)</u>	<u>116,653</u>
Net cash used in operating activities		<u>(282,243)</u>	<u>(40,457)</u>
Cashflows from investing activities			
Acquisition of tangible fixed assets	12	(31,248)	(64,966)
Cash used in investing activities		<u>(31,248)</u>	<u>(64,966)</u>
Net decrease in cash at bank and in hand		(313,491)	(105,423)
Cash at bank and in hand at beginning of year		<u>942,674</u>	<u>1,048,097</u>
Cash at bank and in hand at end of year		<u>629,183</u>	<u>942,674</u>

The notes on pages 16 to 29 forms part of these financial statements.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2019

1. GENERAL INFORMATION

Age Action Ireland Company Limited by Guarantee (the “company”) is a company limited by guarantee and has no share capital. The company is a public benefit entity. The registered office and principal place of business is 10 Grattan Crescent, Inchicore, Dublin 8. The nature of the company’s operations and its principal activities are set out in the directors’ report.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS 102”) and the Companies Act 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS 102”) and the Companies Act 2014. The financial statements have also been prepared in accordance with Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” as published by the Charity Commission for England and Wales and the Office of the Scottish Charities Regulator, who are recognised by the UK Financial Reporting Council (FRC) as the appropriate bodies to issue SORPs for the charity sector in the UK. Financial reporting in line with SORP is considered best practice for charities in Ireland. The directors consider that the adoption of the SORP requirements is the most appropriate accounting to properly reflect and disclose the activities of the organisation. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

b) *Functional currency and presentation currency*

The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements are presented in Euro (“€”) which is also the functional currency of the company.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

c) *Income*

All income is recognised in the Statement of Financial Activities (“SOFA”) when the company is entitled to the income, any performance related conditions have been met, receipt is probable and the amount can be quantified with reasonable accuracy. Income comprises grants for charitable activities, donations and legacies, and other trading activities.

Income is deferred where the company is limited by specific performance related conditions that are evident in the funding agreement, where there is a specification of a time period that limits the company’s ability to recognise the income until it has performed an activity and when there are specific terms or conditions within an agreement that have not been met and are not within the control of the company at year end.

Donated goods are recognised as income when sold. The value is derived from the resale value after deducting the cost to sell the goods. Donated services are measured and included in the financial statements on the basis of the value of the gift to the charity, a corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity.

Income is analysed as restricted or unrestricted. Restricted funds represent income recognised in the financial statements, which is subject to specific conditions imposed by the donors or grant making institutions. Unrestricted funds represent amounts which are expendable at the discretion of the company, in furtherance of the objectives of the charity. Such funds may be held in order to finance working capital or capital investment.

d) *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related thereto. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

e) *Employee benefits*

The charity provides a range of benefits to employees, including paid holiday pay arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

e) Employee benefits (continued)

Pensions

The charity operates a defined contribution pension scheme. This scheme is administered by independent investment managers. Pension costs are expensed to the statement of financial activities as incurred.

f) Operating leases

Operating lease payments are charged to the SOFA in the period to which they relate.

g) Tangible fixed assets

Tangible fixed assets are initially recognised at cost and are subsequently stated at cost less accumulated depreciation.

Depreciation is provided at rates to write off the cost of each asset over its expected useful life as follows:

Office Equipment	–	2 - 7 years
Leasehold Premises & Fittings	–	2 - 23 years
IT Hardware/ Software	–	2-3 years

h) Financial instruments

Financial assets

Basic financial assets, including trade and other debtors, and cash at bank and in hand are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the SOFA.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled; or substantially all the risks and rewards of the ownership of the asset are transferred to another party; or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions on transfer.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

h) Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

i) Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Contingencies

Contingent liabilities, arising as a result of past events, are recognised when it is probable that there will be an outflow of resources and the amount can be reliably measured at the reporting date. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

a) *Critical judgements made in applying the company's accounting policies*

The critical judgement (other than those involving estimates) that has a significant effect in the financial statements is discussed below:

Going concern

The company holds unrestricted and restricted funds in the amount of €608,616 and €38,934, respectively at 31 December 2019.

The onset of the Covid-19 pandemic created a new and unanticipated risk to the company. The closure of Age Action's retail arm had a severe and immediate impact on cash flow and the company's capacity to pay the wages of those working in the retail programme. The Government's wage subsidy scheme was utilised for 30 staff across the organisation. The pandemic coincided with the finalisation of the review of retail, which identified a need to address the loss-making elements of the retail programme.

The pandemic also required Age Action to adapt a number of services and the organisation played a key role in the national effort to alleviate the impact of the pandemic on older people. Age Action's values and core mission acted as a ballast during this difficult period. A number of new opportunities have emerged as a consequence of the organisation's response.

The longer term impact of the pandemic on the organisation is unknown and will be reviewed by the Board on and CEO on an ongoing basis. The directors will continue to monitor costs and the directors are confident that the company will be able to continue in operation for the foreseeable future.

The directors have prepared budgets, projections and cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These budgets, projections and forecasts involve a level of judgement about how circumstances will unfold, about the point and level at which the retail operations will resume, about continuity of public funding and about the likely impact on the cost base of the organisation. Given the unprecedented nature of the current circumstances, there is an element of uncertainty and actual results may therefore differ from these budgets.

Based on these budgets, projections and cash flow forecasts, on committed grant income over the next 12 months and cash at bank, the directors are satisfied that the company has adequate resources to continue for at least 12 months from the date of approval of these financial statements and it is appropriate to adopt the going concern basis in the preparation of the financial statements.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

b) *Key sources of estimation uncertainty*

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimated Useful Lives of Tangible Fixed Assets

Tangible fixed assets comprise office equipment, leasehold premises & fittings and IT hardware/software. The annual depreciation charge depends primarily on the estimated lives of each type of asset. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. There were no changes in the estimated useful lives of tangible fixed assets in 2019

5. INCOME

All income derives from activities in the Republic of Ireland. Income comprises grants, donations and legacies and other trading activities.

Trading activities comprise income from the seven charity stores and fundraising events including raffles, a national bucket collection and corporate partnerships.

6. EXPENDITURE

	Restricted Funds 2019 €	Unrestricted Funds 2019 €	Total 2019 €	Restricted Funds 2018 €	Unrestricted Funds 2018 €	Total 2018 €
Charitable activities						
Project expenses	837,285	901,997	1,739,282	840,807	786,501	1,627,308
Community employment programme	-	517,293	517,293	-	465,555	465,555
Raising funds						
Expenditure on raising funds	-	222,418	222,418	890	213,762	214,652
Trading costs – store expenditure	-	1,056,267	1,056,267	-	896,127	896,127
Total expenditure	837,285	2,697,975	3,535,260	841,697	2,361,945	3,203,642

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (CONTINUED)

Income earned and expenditures incurred from charity stores are as follow:

	2019 €	2018 €
Unrestricted funds		
Store income	1,181,263	992,470
Unrestricted expenditure		
Store expenses	<u>(1,056,267)</u>	<u>(896,127)</u>
Net surplus from charity stores	<u>124,996</u>	<u>96,343</u>

7. NET (EXPENDITURE)/ INCOME

Net (expenditure)/ income is stated after charging:

	2019 €	2018 €
Depreciation of tangible assets	72,197	60,729
Auditor's remuneration	10,455	10,455
Operating leases – motor vehicles	40,365	28,725
Operating leases – office	90,000	90,000
Operating leases – charity stores	<u>311,150</u>	<u>303,925</u>

8. STAFF COSTS

	2019 €	2018 €
Wages and salaries	2,053,870	1,767,591
Social welfare costs	175,034	145,456
Pension costs	<u>25,702</u>	<u>28,610</u>
	<u>2,254,606</u>	<u>1,941,657</u>

Number of employees

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

	2019 No.	2018 No.
Charity stores	23	17
Development projects and services	<u>61</u>	<u>55</u>
	<u>84</u>	<u>72</u>

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

8. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits for the year (excluding employer pension costs) fall within the following bands are as follows:

	2019 No.	2018 No.
€60,000 – €70,000	2	-
€70,000 – €80,000	1	1
€80,000 – €90,000	1	-
€90,000 – €100,000	-	-
€100,000 – €110,000	-	-
€110,000 – €120,000	-	1
€120,000 – €130,000	<u>1</u>	<u>-</u>

Age Action's Chief Executive is the highest paid employee with employee benefits of €120,402 in 2019 (2018: €115,706).

Contributions between 5% to 10% of salary were made by the company to the defined contribution pension scheme for the two senior management team members who fall within the bands above.

9. PENSION

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to this scheme and amounts to €25,702 (2018: €28,610). An amount due of €6,205 (2018: €2,305) is included in creditors at year end date.

10. DIRECTORS' EMOLUMENTS

Two of the non-Dublin based directors received travel expenses of €334 during the year (2018: €391).

None of the directors received remuneration or benefits for their services during 2019 or 2018.

11. TAXATION

The company is a registered charity and accordingly the company avails of the charities' exemption from corporation tax.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE FIXED ASSETS	Equipment	Leasehold Office Premises & Fittings	IT Hardware/ Software	Total
	€	€	€	€
Cost				
At 31 December 2018	136,159	282,155	100,139	518,453
Additions	<u>999</u>	<u>24,763</u>	<u>5,486</u>	<u>31,248</u>
At 31 December 2019	<u>137,158</u>	<u>306,918</u>	<u>105,625</u>	<u>549,701</u>
Depreciation				
At 31 December 2018	133,635	179,487	51,598	364,720
Charge for the year	<u>1,299</u>	<u>45,992</u>	<u>24,906</u>	<u>72,197</u>
At 31 December 2019	<u>134,934</u>	<u>225,479</u>	<u>76,504</u>	<u>436,917</u>
Net Book Amount				
At 31 December 2018	<u>2,524</u>	<u>102,668</u>	<u>48,541</u>	<u>153,733</u>
At 31 December 2019	<u>2,224</u>	<u>81,439</u>	<u>29,121</u>	<u>112,784</u>
 13. DEBTORS			2019	2018
Amounts falling due within one year			€	€
Trade debtors			3,806	-
Prepayments and accrued income			160,290	121,321
Other debtors			<u>78,937</u>	<u>29,014</u>
			<u>243,033</u>	<u>150,335</u>
 All debtors are due within one year.				
 14. CREDITORS			2019	2018
Amounts falling due within one year			€	€
Trade creditors			44,125	45,390
Other creditors			78,917	11,150
PAYE/PRSI			45,180	39,618
Accruals			28,562	28,713
Deferred income (Note 15)			<u>140,666</u>	<u>263,637</u>
			<u>337,450</u>	<u>388,508</u>

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS (CONTINUED)

Trade and other creditors

The repayment terms of trade and other creditors vary between on demand and 30 days. No interest is payable on trade creditors.

Taxes and social security costs

Taxes and social security costs are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date.

Accruals

Accruals are expected to be settled within the next 12 months.

15. DEFERRED INCOME

	Opening Deferred Income 1 January 2019 €	Amounts received during the year €	Amounts released during the year €	Closing deferred income 31 December 2019 €
Bon Secours Hospital	10,938	-	(10,938)	-
Department of Communications	130,500	270,000	(265,500)	135,000
Erasmus	11,875	-	(11,875)	-
Help Age International	43,480	69,733	(113,213)	-
Pobal	10,639	78,026	(88,665)	-
Dublin City Council	20,833	31,250	(52,083)	-
Community Foundation of Ireland	4,006	-	(4,006)	-
Membership	1,366	36,913	(38,279)	-
Electric Ireland	5,000	-	(5,000)	-
Silver Surfer	-	1,500	-	1,500
Getting Started: Ruhama Rent	-	4,166	-	4,166
Bank of Ireland	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
	<u>263,637</u>	<u>491,588</u>	<u>(614,559)</u>	<u>140,666</u>

Deferred income comprises of grants received in advance in which terms and conditions have not yet been met.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

16. MOVEMENT OF FUNDS

Current Year

	Designated Funds €	Restricted funds €	Unrestricted funds €	Total 2019 €
Opening balance	-	-	858,234	858,234
Net (expenditure) / income	-	(148,452)	(62,232)	(210,684)
Transfer of funds	<u>-</u>	<u>187,386</u>	<u>(187,386)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>38,934</u>	<u>608,616</u>	<u>647,550</u>
Represented by:				
Fixed assets	-	-	112,784	112,784
Current assets	-	173,934	698,282	872,216
Current liabilities	<u>-</u>	<u>(135,000)</u>	<u>(202,450)</u>	<u>(337,450)</u>
	<u>-</u>	<u>38,934</u>	<u>608,616</u>	<u>647,550</u>

Prior year

	Designated Funds €	Restricted funds €	Unrestricted funds €	Total 2018 €
Opening balance	166,903	28,500	814,417	1,009,820
Net Movement	-	(218,308)	66,722	(151,586)
Transfer of funds	<u>(166,903)</u>	<u>189,808</u>	<u>(22,905)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>	<u>858,234</u>	<u>858,234</u>
Represented by:				
Fixed assets	-	-	153,733	153,733
Current assets	-	263,637	829,372	1,093,009
Current liabilities	<u>-</u>	<u>(263,637)</u>	<u>(124,871)</u>	<u>(388,508)</u>
	<u>-</u>	<u>-</u>	<u>858,234</u>	<u>858,234</u>

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

17. STATEMENT OF FUNDS

	Opening balance 31 December 2018 €	Incoming resources €	Resources expended €	Cross subsidisation from Department of Social Protection funds €	Cross subsidisation to / from unrestricted funds €	Closing balance 31 December 2019 €
Restricted funds						
1 Age Action West	-	-	(19,062)	-	19,062	-
2 Ageing & Development	-	92,669	(94,981)	-	2,312	-
3 Care & Repair *	-	30,958	(97,858)	42,910	23,990	-
4 Getting Started*	-	317,583	(356,258)	31,291	7,384	-
5 Lifelong Learning	-	110,492	(79,406)	-	287	31,373
6 Social Partnership/Policy	-	127,131	(153,319)	-	33,749	7,561
7 Age Action South	-	<u>10,000</u>	<u>(36,401)</u>	-	<u>26,401</u>	-
	-	688,833	(837,285)	74,201	113,185	38,934
Unrestricted funds	<u>858,234</u>	<u>2,635,743</u>	<u>2,697,975</u>	<u>74,201</u>	<u>113,185</u>	<u>608,616</u>
Total funds	<u>858,234</u>	<u>3,324,576</u>	<u>3,535,260</u>	<u>-</u>	<u>-</u>	<u>647,550</u>

* The cross-subsidisation amounts funded by the Department of Employment Affairs and Social Protection relate to staff participating in the Community Employment Scheme. The amounts for the Care & Repair Programme 2019 is €42,910 and Getting Started Programme 2019 is €31,291.

The above projects were chiefly funded by the following donors:

1. Ageing & Development - Help Age International
2. Care & Repair - Cork City Council, Gordon Snell
3. Getting Started - The Department of Communications, Climate & Environment, Dublin City Council, Irish On-Line Giving
4. Lifelong Learning - Solas, Erasmus & Bank of Ireland
5. Social Partnership / Policy - The Department of Housing, Pobal, Community Foundation of Ireland
6. Age Action South- HSE Cork, Bon Secours

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the charity required under Section 11 of FRS 102 is as follows:

	2019 €	2018 €
Financial assets at amortised cost		
Trade debtors	3,806	-
Other debtors	78,937	29,014
Cash and cash equivalents	<u>629,183</u>	<u>942,674</u>
Financial liabilities at amortised cost		
Trade creditors	44,125	45,390
Accruals	28,757	28,713
Other creditors	<u>78,917</u>	<u>11,150</u>

19. FINANCIAL COMMITMENTS

The company has entered into various non-cancellable operating leases for its office space, stores and motor vehicles. Operating lease expense in 2019 amounted to €441,515 (2018: €422,650).

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 €	2018 €
Due within one year	440,123	405,808
Due between two and five years	825,586	911,772
After five years	<u>411,000</u>	<u>440,000</u>
	<u>1,676,709</u>	<u>1,757,580</u>

The company entered into a sub-lease agreement for a space in its store. Rent income during the year amounted to €50,000 (2018: €4,166).

Total future minimum lease payments to be received under non-cancellable operating leases are as follows:

	2019 €	2018 €
Due within one year	50,000	50,000
Due between two and five years	200,000	200,000
After five years	<u>95,834</u>	<u>145,834</u>
	<u>345,834</u>	<u>395,834</u>

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS

Key management personnel

Total remuneration including employer social insurance and pension in respect of senior management team who have authority and responsibility for planning, directing and controlling the activities of the charity amounted to €654,441 (2018: €369,143).

Directors received travel expenses of €334 during the year (2018: €391) (Note 10).

Membership fees received from directors amounted to €300 (2018: €340).

21. RECLASSIFICATION

Certain prior year comparatives have been regrouped and reclassified on a basis consistent with the current year.

22. EVENTS SUBSEQUENT TO THE YEAR END

The onset of the Covid-19 pandemic created a new and unanticipated risk for the company. The temporary closure of Age Action's retail arm had a severe and immediate impact on cash flow and the company's capacity to pay the wages of those working in the retail programme. The government's wage subsidy scheme was utilised for 30 staff across the organisation. The pandemic coincided with the finalisation of the review of retail, which identified a need to address the loss-making elements of the retail programme. The directors are in the process of implementing a plan in relation to same.

The pandemic also required Age Action to adapt a number of services and the organisation played a key role in the national effort to alleviate the impact of the pandemic on older people. Age Action's values and core mission acted as a ballast during this difficult period. A number of new opportunities have emerged as a consequence of the organisation's response.

The long-term impact of the pandemic on the organisation is unknown and will be reviewed by the Board on and CEO on an ongoing basis.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors on 29 May 2020.

AGE ACTION IRELAND COMPANY LIMITED BY GUARANTEE

Appendix 1

Income & Expenditure Account – Pobal (Unaudited)

	SSNO 2016-2019 and SSNO 2019 - 2022 31.12.19 €	SSNO 2016-2018 31.12.18 €
Grant received	<u>78,026</u>	<u>76,756</u>
Salaries & wages	81,104	85,886
Training and development	-	-
Staff recruitment	-	-
Glór group costs	<u>-</u>	<u>-</u>
Total costs	<u>81,104</u>	<u>85,886</u>
Deficit / Surplus for the year	(3,078)	(9,130)
Carried forward to next year	7,561	10,639

Name of Programme	Scheme to Support National Organisations (SSNO) 2016 – 2019
Purpose of Grant	To fund a Social Policy Officer and a Health Policy Officer
Name of Grantor	Dept. of Environment Community & Local Government
Capital Grant disclosure	No Capital Grant received
Restrictions Disclosure	Restricted to the purpose for which the Grant was awarded
Tax Clearance Disclosure	Age Action Ireland CLG (Tax No: 6606029F) is tax compliant

Name of Programme	Scheme to Support National Organisations (SSNO) 2019 – 2022
Purpose of Grant	To fund a Social Policy Officer and a Health Policy Officer
Name of Grantor	Dept. of Environment Community & Local Government
Capital Grant disclosure	No Capital Grant received
Restrictions Disclosure	Restricted to the purpose for which the Grant was awarded
Tax Clearance Disclosure	Age Action Ireland CLG (Tax No: 6606029F) is tax compliant