



advice and support for older age

**Independent
Age**

Annual Report and Accounts 2014



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Chairman and Chief Executive's statement

Welcome to the Annual Report 2014 from Independent Age. It has been a productive year in which we have directly supported over 14,000 older people and those who care for them, and helped another 100,000 through our public information services.

In our campaigning work, we were pleased that our Secret Subsidy campaign, tackling the issue of care home top-up fees, resulted in a strengthening of the guidelines under the new Care Act. And also that both our key reports - on the rise of social isolation among older men and on understanding the care needs of older people - gained widespread coverage, raising awareness of these worrying issues.

Meanwhile, more people contacted our free advice service than ever before, and we increased our volunteer visitor activity so that, between them, our older people received over 28,000 one-to-one visits during the year.

Of course, there is still so much more to be done. Too many older people lack support because they simply do not know who to turn to for help. And extreme loneliness is at such appalling proportions that 11% of older people regularly go for a whole month without speaking to family, friends or neighbours.

With this in mind, we have spent time revisiting our plans to check we really are providing

the most effective, and cost-effective, services possible. Having listened to feedback from sector professionals, our volunteers and the older people we support, we have put together a refreshed strategy for 2015-2020 which will enable us to extend our reach and help many more older people to lead the lives they want to lead.

Focusing particularly on the older people who need it most - usually the 'oldest old' and their families and carers - we will:

- extend our public information services, like our Wise Guides, and our website, increasing the number of information resources distributed to over 1 million annually
- increase the usage of our advice service to over 100,000 enquiries answered each year
- double the number of lonely older people supported by our befriending services and pilot new innovative services to reduce loneliness and build social connections locally
- continue to develop our campaigning presence, building a network of supporter individuals and organisations.

We will achieve this by increasingly working with other like-minded organisations to ensure older people get the best possible help that enables them to live well with dignity, choice and control.



This is an exciting time for Independent Age and we could not make such bold strides without our dedicated Trustees, staff, volunteers and supporters. Special thanks go to Calouste Gulbenkian Foundation, Tudor Trust, Esmée Fairbairn Foundation and the Blgrave Trust, who have generously funded a broad range of our work, including Campaign to End Loneliness and the expansion of our national advice service.

We look forward to updating you on our progress next year.



Diana Brittan

Dame Diana Brittan
Chairman



Janet Morrison

Janet Morrison
Chief Executive

Trustees' report

Introduction

Independent Age is a growing charity helping thousands of older people across the UK and Ireland to live more independent, fulfilling lives.

Founded over 150 years ago, we are an established voice for older people and their families and carers, offering free advice and information and providing services, such as befriending, to promote wellbeing and reduce loneliness.

In addition to this, we use the knowledge and understanding gained from our frontline services to campaign on issues that affect older people, like poverty, loneliness and carers' rights.

Our vision is a society where older people lead the lives to which they aspire and can contribute actively to their communities.

Our mission is to enable older people to stay independent and live well with dignity, choice and control.

New strategy 2015-2020

In 2014, a comprehensive review of our services resulted in the creation of a new five-year strategy for 2015-2020. Building on our 'ABC' (Advice, Befriending and Campaigning) strategy of the past three years, this new strategy marks a major expansion and refinement of the charity's activities to ensure we put older people at the heart of all that we do and make a measurable difference to their lives.

From 2015, we will:

- focus on supporting older people in greatest need - often the 'oldest old' - who are socially isolated, on a low income and/or struggling with poor health and mobility, and their families and carers
- build an integrated advice and information service with an immediate investment in our printed and online public information, while at the same time building significantly more volume for our telephone advice service
- build an integrated face-to-face and telephone befriending service and also pilot new ways of providing services to reduce loneliness and build social connections locally
- continue to expand our policy and campaigning work, linking it even more explicitly to our service provision and working with a network of like-minded individuals and organisations
- develop innovative solutions and partnerships that enable us to provide cost-effective services across the UK
- ensure that all our services are open and accessible to those who need them.

***In the UK today...**

62% of over-65s are worried about being seen as a problem by society.

11% of older people regularly go for a month or more without talking to family, friends or neighbours.

60% of councils in England commission care visits lasting less than 15 minutes.

1.6 million pensioners live below the poverty line.

37% of people aged between 70 and 79 say they have been discriminated against because of their age.

Around half of all people aged 75 and over live alone.

*All of these statistics can be found in our report, 2030 Vision: The Best - and Worst - Futures for Older People, at www.independentage.org/campaigning

**Some of the ways we helped
in 2014...**

We helped **87%** of those who receive our services feel more independent and less worried.

We received **three times more** national media coverage than in 2013.

We broadened our partnership network with **over 70** like-minded organisations.

We distributed over **73,500** Wise Guides on money, care, housing and staying socially connected.

We provided **28,409** one-to-one visits to older people through our network of caring volunteers.

We launched 2030 Vision, our **campaign** to make the UK a better place to grow older in.

We've received extremely positive feedback on our Wise Guide series.

ADVICE AND SUPPORT

We provide information for older people and their families and carers about accessing support, and also give personal, confidential advice on welfare benefits, social care and staying socially connected.

In 2014, we said we would significantly increase the number of older people we directly support through our advice and information service, and extend our partnership networks.

Advice service

Our telephone and email advice service provides expert and confidential advice for members of the public. It operates on a two-tier system, whereby all calls are received by first tier and callers who need more in-depth advice are referred to second tier.

Over the year, we increased the number of enquiries by over 2,000 to 8,696, and expanded our capacity. We also extended our advice service hours.

Public information

We produce a range of factsheets and publications to give older people and those who care for them clear, readable information on accessing support and resolving issues. In 2014, we increased our public information distribution figures and also broadened our offer to include large print, audio CD and Braille formats.

Our free Wise Guides for older people are packed with information and tips on money, care, staying socially connected and more. As well as distributing over 73,500 hard copies in 2014 - 30,000 more than in 2013 - we also published a fourth addition to the series, Choosing a Care Home, and commissioned a fifth on getting the most out of the NHS, to be published in 2015.

Also, in 2014, over 28,000 factsheets and Wise Guides were downloaded from our website, with the most in demand being factsheets on care home fees.

What older people think of our Wise Guides

We've received extremely positive feedback on our Wise Guide series, with 90% of the older people we surveyed in 2014 telling us they've found them useful and 97% saying they found them easy to understand.

Two-thirds said reading the Wise Guides made them feel less worried and 59% said they actively helped them to feel more independent.

Partnerships

Our Strategic Partnerships Team developed contacts with over 70 organisations during 2014,

including councils, housing associations and voluntary sector organisations. Of these, half have already helped us reach new audiences, including:

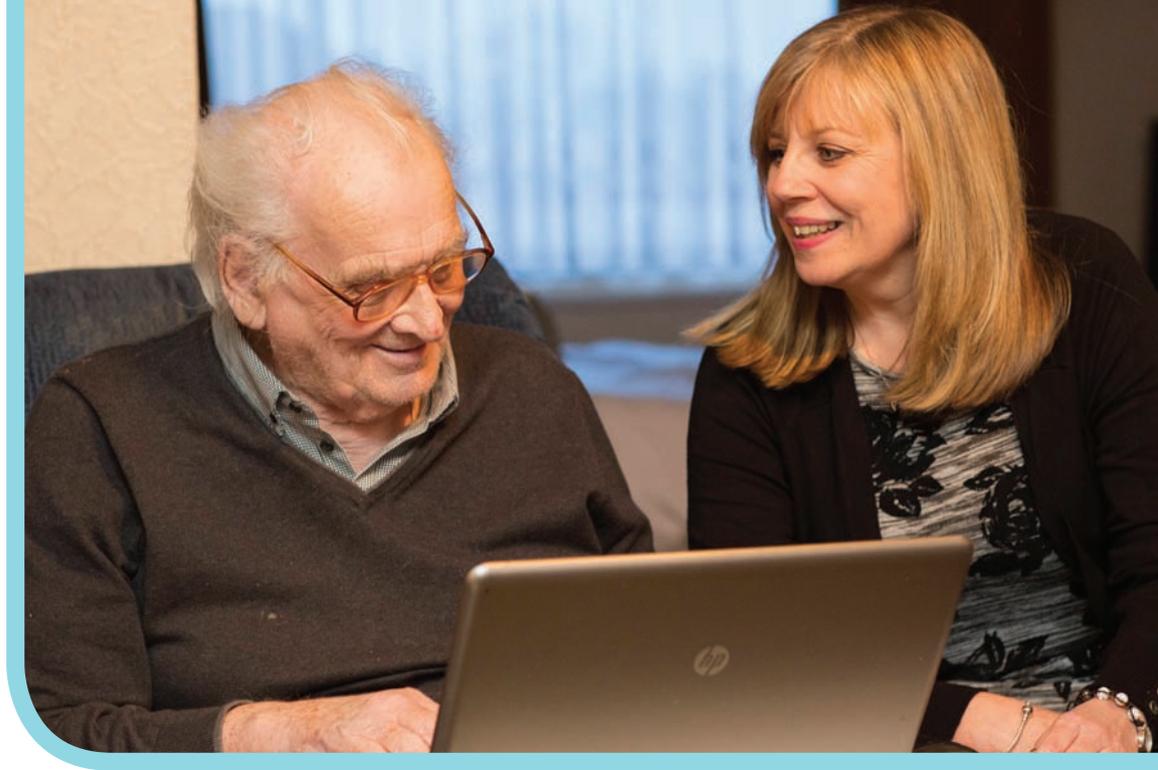
- the London Borough of Barnet, which has promoted our services online and distributed 2,000 Wise Guides through their libraries, social work teams and public access points
- the Institution of Mechanical Engineers, which has recruited its older members to our TalkTime phone clubs
- Raglan Housing Association, which has distributed our Wise Guides
- Bank Workers Charity, which launched a Retiree Support Service in partnership with Independent Age
- Anchor Care Homes, which advertised our advice service in all its 93 homes.

Support

Over the year, we helped 5,685 older people, 2,733 of whom received ongoing financial support, and 1,403 of whom received a personalised package of support and advice. We sent out 1,429 emergency packs and processed over £296,000 in grants for extra costs, such as mobility equipment and white goods.

In 2015, we aim to:

- implement our new strategy with the aim of significantly increasing our reach and impact by 2020. This includes providing 1.5 million service interactions by 2020
- integrate our information and advice delivery and broaden the topics we cover to ensure older people stay independent and live well with dignity, choice and control
- increase the reach of our advice line and information resources ensuring more older people can stay socially connected, access the benefits they need, recognise and access good health and social care and challenge poor care
- develop a new first point of contact telephone line to make it easier to access all our services and support
- develop and distribute new information resources including launching our new Wise Guide on getting the most out of the NHS and a new range of factsheets
- continue to develop partnerships to support our strategic development and enable us to reach more older people and those who care for them
- review our grant criteria and other support, and continue to monitor the planned decline in the number of individual regular payments.



Ron and Independent Age volunteer Alison

BEFRIENDING

We offer a range of services to reduce loneliness and isolation among older people, while supporting those in greatest need with ongoing holistic support.

In 2014, we said we would expand our befriending services, improve our volunteer training programme and increase our ongoing support to older people in greatest need.

Befriending

Over 1 million older people say they often or always feel lonely. Our volunteers play a crucial role in combatting this growing silent epidemic, providing company, friendship and a sense of security to the older people they call or visit.

In 2014, they made 28,409 one-to-one visits to older people between them - over 7,400 more than in 2013. Meanwhile, we recruited 437 new volunteer visitors, the highest number recruited in a single year, and delivered training

to 800 volunteers on topics such as bereavement and safeguarding.

We also continued to deliver telephone befriending services and now plan to pilot new, innovative ways of providing services to reduce loneliness and build social connections locally.

Ron's story

Just a month after losing his beloved wife, 88-year-old Ron had a fall which left him housebound and completely dependent on carers to get him up and dressed in the morning. By the time Ron got in touch with us, he was extremely lonely, and said he felt his life wasn't worth living anymore. We matched him with three Independent Age volunteers who, between them, visit him at least twice a week. Ron says, "It makes such a difference... It was very, very hard not having anyone to talk to."

Ongoing support

According to recent research, one in four older people feel they have no one to turn to. Part of our work is providing ongoing advice and support to those older people in greatest need, particularly those who may not have a strong network of family or friends around them.

In 2015, we aim to:

- deliver 30,000 friendship visits and calls to lonely older people
- integrate our face-to-face and telephone befriending services to ensure older people can quickly access the support they need
- develop and pilot new, innovative services that reduce loneliness and build social connections
- invest in our volunteers and increase volunteer satisfaction, developing new ways to recruit, train and support our network of volunteer visitors
- use the learning from our research and service evaluation, alongside the work of Campaign to End Loneliness, to inform our service delivery.

CAMPAIGNING

Our campaigning activities aim to raise awareness of the major issues affecting older people and to influence change.

In 2014, we said we would raise our profile, positively influence policy and practice, produce research that generates debate and become

a forward-looking organisation aiming to make the UK a better country to grow older in.

Raising our profile in the media

With the addition of a new Head of Media and PR position, our media profile rose sharply in 2014. We had 2,154 media mentions in total over the year. This includes over three times the amount of national coverage secured in 2013; equal to around three pieces of national coverage per week.

Secret Subsidy Campaign

We are delighted that, after months of lobbying, the main demands of our Secret Subsidy Campaign - tackling the worrying issue of care home top-ups - have been met in the new Care Act guidance. In June, 36 MPs expressed their support for our campaign in an Early Day Motion and, in July, our research was used in a parliamentary debate. The new guidance has strengthened the rules and put a legal requirement on councils to change their approach.

We also played a lead role in influencing other key parts of the Care Act such as the inclusion of strengthened guidelines for local authorities to signpost adults to independent sources of information and advice.

2030 Vision

Our 2030 Vision report was launched in March at the House of Lords. The report, produced in

Our report on older men generated widespread media coverage.

partnership with the International Longevity Centre UK (ILC-UK), explores the major issues facing our ageing society. It was followed up with a consultation with older people, sector professionals and the wider public, which generated thought-provoking discussion and continues to inform our work.

In September we helped fund and participated in a series of debates during the Political Party Conferences, in partnership with The Guardian newspaper, the British Red Cross and Hanover Housing, asking how society should get ready for demographic change.

Highlighting social isolation

In October, we launched *Isolation: The Emerging Crisis for Older Men*, a research report on social isolation in older men produced in partnership with ILC-UK. Using newly-released data from the English Longitudinal Study of Ageing, the research found that living alone has a more significant bearing on men than women.

The report generated a huge amount of media coverage and discussion and we are now using the findings to influence councils so they can take local action to identify those most at risk of loneliness.

Revealing the Bigger Picture on disability and care

We published major new research in November with the think-tank Strategic Society Centre, into

disability and care in England's older population. The main findings set out in a report, *The Bigger Picture*, revealed that over two million pensioners struggle with the most basic day-to-day tasks and 70,000 of the most disabled pensioners do not receive paid or unpaid care at home.

Older People in the Media Awards 2014

Our third annual Older People in the Media Awards ceremony was held in London's British Library in November. The evening, sponsored by Barchester Healthcare, was hosted by journalist and presenter, John Sergeant, and attended by high profile names including TV personality and *The Silver Line* founder, Esther Rantzen, and Care Quality Commission Chief Inspector, Andrea Sutcliffe.

In 2015, we aim to:

- launch the next stage to our 2030 Vision consultation - 2030 Vision: Building a Better Britain for Older People
- produce new research and policy reports on key issues identified in the 2030 Vision consultation as areas causing older people concern, eg abuse and neglect in care, loneliness and lack of money
- continue to organise Political Party Conference fringe events with partners across the political spectrum
- continue to support Carers Week

- influence the 2016/17 care funding reforms being consulted on by the Department of Health, to be implemented by councils
- review our Older People in the Media Awards.

FUNDRAISING

We are extremely grateful to receive crucial funds for our work from trusts, legacies, events and individual donations.

In 2014, we said we would develop and broaden our fundraising base and increase unrestricted funds in order to spread the risk. We did this by:

- raising £0.452m in 2014 (compared to £0.407m in 2013) from individual donations in response to our appeals and sponsored challenges
- raising our monthly direct debit income from £4,338 to £24,564 per month in just 16 months, despite the difficult economic climate. We are incredibly grateful to the 3,986 new direct debit supporters from the London, Norwich, Cardiff, Manchester, Leeds, Newcastle and Kent areas who joined Independent Age between July and December 2014 as a result of our ongoing investment in donor recruitment
- achieving £1.354m in legacy income, which represents, on average, well over half of our voluntary income. This was less

than the 2013 figure of £1.521m, but still higher than forecast. To preserve legacy income for future years we launched a successful legacy campaign in September 2014 to encourage existing supporters to remember Independent Age in their will and became a member of the Free Wills Network

- our overall trust income was £0.576m. We would like to thank all our trust supporters, especially Calouste Gulbenkian Foundation, Tudor Trust, Esmée Fairbairn Foundation and the Blgrave Trust, who have funded a broad range of our work, including Campaign to End Loneliness and the expansion of our national advice service. We are incredibly grateful for this and the in-kind support we receive from these trusts, along with the interest they take in our work generally. We would also like to thank our regional funders who support our work with older people in their local communities.

In 2015, we aim to:

- develop our institutional income, which is essential to continue expanding our advice and befriending services and providing vital support to older people in the greatest need. As older people live longer the range of services we provide will expand to support their more complex range of needs, and those of their families and carers. As a founding



member of Campaign to End Loneliness, we will also continue to provide fundraising, policy and media support to its ongoing work to reduce and prevent loneliness and social isolation

- maintain our successful and well-established unrestricted income streams of appeals and legacies, and look at additional cost-effective and innovative ways of implementing our fundraising strategy. The marketing of our advice service and our Wise Guide series, in particular, will continue to be fully integrated in all our donor acquisition campaigns as this led to an increased number of Wise Guide requests from new supporters in 2014
- in line with our new fundraising strategy launched in June 2013, continue broadening our funding base and increase our unrestricted fundraising income to spread the risk and generate regular monthly income by continuing to invest in the recruitment of direct debit donors.

Financial review

Income and expenditure

Our total incoming resources for 2014 were £8.122m, slightly lower than the previous year (2013: £8.168m). Key highlights are:

- investments and property: we received income of £5.411m. Our property income is declining as we sell our investment properties to concentrate on our core charitable activities
- legacies: our legacy income was £1.354m (including £0.258m from Counsel and Care for the Elderly), which is lower than the £1.521m received in 2013. This source of income tends to fluctuate year on year
- trust income: was £0.576m, including £0.183m for the Campaign to End Loneliness
- donations: stood at £0.452m in 2014, up £0.131m or over 40% on 2013, reflecting the success of our new face-to-face fundraising campaigns.

Our total expenditure was £10.013m. Spending on charitable activity increased to £8.473m, compared to £4.566m in 2013. A large component of this change is the calculated increase of £1.965m (2013: reduction of £1.159m) in the year end provision for ongoing regular payments and this is included within the Advice section below. Without this annual movement in the provision, the underlying position was an increase from £5.725m in 2013 to £6.508m in 2014.

Charitable expenditure has been grouped together under our three strategic ABC headings. The figures for 2013 have been represented in this same format to allow year on year comparison.

- advice: we spent or committed £5.066m on our advice and support services, which includes financial assistance to older people through regular payments and grants. We paid out £1.924m in the year in regular payments
- befriending: we spent £2.006m in supporting older people with face-to-face visits and telephone befriending
- campaigning: we spent £1.401m on our work here. This includes £0.231m on supporting the work of the Campaign to End Loneliness.

Total charitable expenditure was 85p for every £1 expended (including the additional regular

payments provision, explained above). This figure was 77p in 2013.

In 2014, voluntary income of £2.383m was generated by expenditure of £0.914m - a ratio of £2.61 for every £1 spent. We expect this ratio to increase in 2015 and beyond as our investment in direct debit donor acquisition programmes continues to generate regular monthly donations in subsequent years.

We spent £0.427m on managing our investments and properties. Investment costs have increased with the diversification of investment management, but we believe that this additional cost is worthwhile given the advantages it gives us in lowering risk and providing a more stable income.

Finally, we spent £0.199m on our governance, a reduction of £0.052m from 2013, as the work on the supplementary Royal Charter and Charity Commission scheme drew to a close.

In December 2014, our Board approved an ambitious new strategy for Independent Age to 2020. This includes up to an additional £20m spending on charitable activities over the coming years. This will enable us to significantly expand our work to support many more older people, their families and carers. At the same time, the Board also approved a further £5m to grow and diversify our fundraising

income, so as to reduce reliance on our investments to fund our work.

Funds

Our funds come from a large number of sources and have built up over time. They comprise:

- endowed funds: we must preserve the capital value of these donations. We are, though, able to spend any income and capital growth above this
 - restricted funds: these have been received from donors to be spent on specific charitable activities, such as annuities
 - unrestricted funds: are available to the charity to be spent by Trustees as they see fit. They may also be set aside for future use and defined purposes as designated funds.
- permanent endowed funds were valued at £54.486m (2013: £57.185m)
 - restricted funds to pay for regular payments and other charitable activities stood at £18.176m (2013: £81.877m)
 - total unrestricted funds stood at £76.451m (2013: £12.201m), comprising £66.012m (2013: £8.954m) designated for specific purposes and general funds (free reserves) of £10.439m (2013: £3.247m) once we have provided for a deficit on the pension reserve of £3.441m (2013: £2.660m).

Reserves

The Board of Trustees approved our reserves policy in February 2015. It states that:

Independent Age strategically invests its reserves to fund most of the annual spending on services to older people, their families and carers. The remainder is generated by fundraising. The charity aims for its free reserves to represent less than six months' total charitable spend in the medium term, although this figure will vary according to investment performance.

At 31 December 2014, free reserves of £10.439m represented approximately 12 months of operational expenditure. Implementation of the new five-year strategy will see a marked reduction in the level of free reserves from 2015 onwards.

In 2014, we implemented a supplementary Royal Charter and concluded work with the Charity Commission to simplify our funds structure to better reflect our revised charitable purposes. The scheme reduced the level of endowed and restricted funds that we hold, with a corresponding increase in our unrestricted funds. Descriptions of all our major funds and their values are provided in Note 18 to the financial statements.

At 31 December 2014:

- total funds were £149.113m, down from £151.263m in December 2013

Investments

Our investments finance the majority of our spending. The objective of our investment policy is to maintain the real value of our capital funds over the long term, as a basis from which to generate future income, whilst in the short to medium term generating income to defray the current expenditure of the charity. This has been expressed using the target return formula of CPI + 3.9%. A detailed investment policy sets out requirements and limitations on the investment of equities, bonds, cash deposits and other investment instruments. Our investments at 31 December 2014 stood at £148.292m (2013: £149.193m). Realised and unrealised gains on investments totalled £0.044m (2013 gain: £18.438m).

During 2014, we began the process of diversifying our investments, to reduce the risk of sharp fluctuations in UK share prices, but still generating good returns. In August 2014, we invested £25m in the Baillie Gifford Diversified Growth Fund. This diversification process was completed in early 2015.

The Board of Trustees adopted the necessary resolutions in December 2014 to allow for the introduction of Total Return accounting for the investment of our funds from 1 January 2015. This will provide us with greater flexibility in our

investment approach, as we can invest our endowed funds to produce a return without regard to whether that return is in the form of income (for example, dividends or interest) or capital growth.

GOVERNANCE

Legal structure

Independent Age is the operating name of The Royal United Kingdom Beneficent Association (RUKBA). The charity was established in 1863 and is incorporated by Royal Charter, which sets out our objects, powers and bye-laws. The latest supplementary Charter came into force in August 2014, following a review in consultation with our Charter Members to streamline and update the charity's constitution.

Independent Age is the sole legal member of Counsel and Care for the Elderly, a charitable company limited by guarantee. The charity also has a number of other linked charities - at 31 December 2014 these were the FE Cobbold Trust Fund, Backsettown Fund, and Walton and Wittrick Fund. The charity also has a dormant trading company, IndependentAge Enterprises Limited.

The charity for many years acted as the Managing Trustee for Florence Nightingale Aid in Sickness Trust (FNAIST). In August 2014, however, FNAIST became a separate fully independent charitable company.



Trustees

The Board is comprised of 14 Trustees, including the Chairman, Treasurer and one co-optee. With the exception of the Chairman and Treasurer, Charter Members elect Trustees for an initial term of three years at the annual general meeting. The Treasurer is appointed by the Board and is, ex-officio, a member of the Board. The Board periodically appoints new Charter Members.

The Board of Trustees governs the charity in line with the vision, mission and objectives and exercises oversight of the overall direction and performance of the charity. The Trustees are responsible for compliance with legal and statutory requirements of the charity.

The Board of Trustees delegates certain functions to Committees:

- Finance and Resources Committee (FRC): this encourages and safeguards high standards of integrity, financial reporting and internal control. It oversees the

organisation's risk management processes. The Pensions Sub-Committee and the Investment Sub-Group report to the FRC. In early 2015, the Investment Sub-Group became the United Kingdom Equities Sub-Group (UKES), following the introduction of the revised investment arrangements. In addition, a further body, the Sub-Committee on Investment Oversight (SCIO), was established in November 2014 to scrutinise the performance of UKES and our external investment fund managers

- Nominations Committee: is responsible for regular review of the structure, size and composition (including the skills, knowledge and experience) required of the Board; succession planning for Trustees and committees; identifying and nominating candidates to fill board vacancies; and making recommendations for performance evaluation for Trustees

- Remuneration Committee: oversees the charity's rewards strategy as well as specific recommendations for the remuneration of the Chief Executive
- Services Development Committee (SDC): in December 2014, the Board took the decision to set up the SDC, which will have responsibility for oversight of our service activities. It will hold its first meeting in early 2015 and report directly to the Board.

The Board meets at least five times a year and receives regular reports from the Senior Management Team, see below, and the committees.

All Trustees receive an induction pack and training upon joining the Board and meet key staff, including directors, at an early stage.

Management

The day-to-day management of the charity is delegated by the Board of Trustees to the Chief Executive and through the Chief Executive to the Senior Management Team (SMT). The SMT presents plans and strategies to the Board of Trustees and options in relation to key strategic developments and reports on performance. There are three directorates which report into the Chief Executive:

- Services: currently provides individual casework support,

advisory services and grant-making support to the people we help and incorporates the work of our volunteer network, which manages volunteer recruitment and regional structures.

- Policy and External Relations: responsible for delivering policy and campaigns, research, communications including media relations and PR, marketing, fundraising and events support.
- Resources: which comprises finance, information and communications technology, property and office management and human resources.

Risk management

In 2014, the Trustees reviewed the charity's risk management policy framework. The risk management policy is designed to ensure that there are clear responsibilities for the assessment and review of risks by Trustees, committees and the SMT and that appropriate controls and plans are in place to manage them. Trustees have reviewed and approved the risk assessments carried out in 2014 and are satisfied that reasonable steps are being taken to mitigate exposure to these risks. A corporate risk register seeks to summarise the key risks facing the charity, graded according to their likelihood and level of impact, and identifies mitigating actions to manage them. The register is regularly reviewed and updated

by risk owners, the SMT, and bi-annually by the FRC. Any 'red light' issues are brought to each meeting of the Board of Trustees. The key risks facing the charity during the year, and actions taken to manage them, are as follows:

- safety and safeguarding: the risk is that a client or volunteer suffers death or serious injury. We manage this risk through effective safeguarding and lone working procedures
- organisational effectiveness: we fail to deliver on our aims for older people. This is managed by ensuring that we have effective governance and management arrangements in place
- reputational: we suffer as a consequence of our actions. We manage this through effective quality control of our services
- financial: we are reliant on our investments to fund the majority of our work and could suffer losses through a stock market crash. We manage this by ensuring that our expenditure plans are sustainable and we are diversifying our income streams by investing in new fundraising activities
- environment: legal changes mean we can no longer deliver our charitable aims, or that a key supplier or external event has a severe impact on our work. We manage these risks through ensuring that we remain well-

informed of policy changes and that we have effective plans to deal with an emergency.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware and each Trustee has taken all the steps they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Public benefit

In setting our objects and planning the activities for the year, the Board of Trustees confirms that it has had due regard to the guidance on public benefit published by the Charity Commission and so fulfilled its obligation under section 4 of the Charities Act 2011.

Statement of the Board of Trustees' responsibilities for the financial statements

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under that law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK 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 charity will continue in business.

The Trustees are responsible for keeping accounting records that are

sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provision of the Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of Trustees on 14 May 2015 and signed on its behalf by:



Dame Diana Brittan
Chairman of the Board of Trustees

Date: 9/6/15

Independent auditors' report

to the Trustees of Independent Age

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2014 and of the group's incoming resources and application of resources and the group's cash flows, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of section 144 of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and the parent financial statements (the "financial statements"), which are prepared by Independent Age, comprise:

- the group and parent charity balance sheet as at 31 December 2014
- the group statement of financial activities for the year then ended
- the group cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example, in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made by the Trustees
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial

Independent auditors' report

Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matters on which we are required to report by exception

Sufficiency of accounting records and information and explanations received

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the Trustees are responsible for the preparation of the financial

statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's Trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 9/6/2015

PricewaterhouseCoopers LLP is eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

Administrative information

Group Information

Independent Age is the operating name of The Royal United Kingdom Beneficent Association (RUKBA). It is registered in England and Wales with the Charities Commission under charity number 210729.

Royal Patron

Her Royal Highness Princess Alexandra, the Hon. Lady Ogilvy, KG, GCVO

Patrons

The Moderator of the General Assembly of the Church of Scotland

The Free Churches' Moderator

The Cardinal Archbishop of Westminster

Vice Presidents

Her Grace the Duchess of Abercorn

Michael Hayes

Patricia Routledge CBE DLitt

William Underwood

Professor Heinz Wolff BSc FIBiol

The Rt. Hon. the Earl of Yarborough

Board of Trustees

Dame Diana Brittan (Chairman)

Terry Hitchcock (Treasurer) (to May 2015)

Nicholas Broadhead

Sue Collins (to June 2014)

Tim Davis (to April 2014)

Marc Dight (co-opted from October 2013 - elected Trustee June 2014)

Dr Justine Frain

Professor Martin Green (co-opted from August 2014)

Richard Gutch

Dr Helen Hanbury

Caroline Jacobs

Estelle McCartney

Dame Helena Shovelton (co-opted from June 2013 - elected Trustee June 2014) (Acting Treasurer from May 2015)

James Steel

Ian Watson

Denise Wilkinson

Management

Janet Morrison, Chief Executive

Simon Bottery, Director of Policy and External Relations

Diane Brown, Interim Director of Care Services (to April 2014)

Lucy Harmer, Director of Services (from April 2014)

Rod Mercer, Interim Director of Finance and Corporate Services (to March 2014)

Richard Whitley, Director of Resources (from March 2014)

Administrative information

Professional Advisers

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London
WC2N 6RH

Principal Bankers

NatWest Bank
Fleet Street (B) Branch, PO Box 281,
156 Fleet Street, London EC4A 2DX

Insurance Broker

Scrutton Bland
820 The Crescent,
Colchester Business Park, Colchester,
Essex CO4 9YQ

Solicitors

Bates Wells Braithwaite LLP
2-6 Cannon Street,
London EC4M 6YH

Investment Advisors

Lane Clark & Peacock LLP
95 Wigmore Street,
London W1U 1DQ

Investment Managers

Baillie Gifford & Co
Calton Square, 1 Greenside Row,
Edinburgh EH1 3AN

Cazenove Capital Management
12 Moorgate, London EC2R 6DA

CCLA

Senator House,
85 Queen Victoria Street,
London EC4V 4ET

Schroder & Co Limited

31 Gresham Street,
London EC2V 7QA

Consolidated Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 December 2014

| | Notes | Unrestricted funds £000 | Restricted funds £000 | Endowed funds £000 | Year to 31 December 2014 Total funds £000 | Year to 31 December 2013 Restated Total funds £000 |
|---|--------|----------------------------|--------------------------|-----------------------|---|--|
| Incoming resources | | | | | | |
| Continuing operations: | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Voluntary income | 2 | 1,639 | 744 | - | 2,383 | 2,446 |
| Activities for generating funds | | 71 | - | - | 71 | 86 |
| Investment income | 3 | 562 | 4,849 | - | 5,411 | 5,402 |
| Total generated income | | 2,272 | 5,593 | - | 7,865 | 7,934 |
| <i>Incoming resources from charitable activities</i> | | | | | | |
| Property rental income | | - | - | - | - | 44 |
| Other charitable income | | 26 | - | - | 26 | 33 |
| Total income from charitable activities | | 26 | - | - | 26 | 77 |
| <i>Other incoming resources</i> | | | | | | |
| Pension scheme - other finance income | | 175 | - | - | 175 | 60 |
| Miscellaneous income | | 10 | - | - | 10 | - |
| Total other income | | 185 | - | - | 185 | 60 |
| Discontinued operations: | | | | | | |
| Gain on sale of care homes | | 14 | 32 | - | 46 | 97 |
| Total incoming resources | | 2,497 | 5,625 | - | 8,122 | 8,168 |
| Resources expended | | | | | | |
| <i>Costs of generating funds</i> | | | | | | |
| Costs of generating voluntary income | 4 | 914 | - | - | 914 | 717 |
| Investment and property management costs | | 188 | 239 | - | 427 | 133 |
| Cost associated with the sale of Leigh Court | | - | - | - | - | 286 |
| Total cost of generating funds | | 1,102 | 239 | - | 1,341 | 1,136 |
| <i>Charitable activities</i> | | | | | | |
| Advice | 4 & 16 | 669 | 4,397 | - | 5,066 | 1,671 |
| Befriending | 4 | 2,006 | - | - | 2,006 | 1,862 |
| Campaigning | 4 | 776 | 625 | - | 1,401 | 919 |
| Properties | | - | - | - | - | 114 |
| Total cost of charitable activities | | 3,451 | 5,022 | - | 8,473 | 4,566 |
| <i>Governance costs</i> | | | | | | |
| | 5 | 199 | - | - | 199 | 251 |
| Total resources expended | | 4,752 | 5,261 | - | 10,013 | 5,953 |
| Net (outgoing)/incoming resources before transfers | | (2,255) | 364 | - | (1,891) | 2,215 |
| Transfers | 18 | 66,596 | (63,901) | (2,695) | - | - |
| Net (outgoing)/incoming resources before other recognised gains and losses | | 64,341 | (63,537) | (2,695) | (1,891) | 2,215 |
| Other recognised gains and losses | | | | | | |
| Gains/(losses) on investments | 12 | 212 | (164) | (4) | 44 | 18,438 |
| Actuarial (loss)/gain on defined benefit pension scheme | 17 | (1,373) | - | - | (1,373) | 473 |
| Unrealised gain on investment properties and assets held for sale | | 1,070 | - | - | 1,070 | - |
| Net movement in funds | | 64,250 | (63,701) | (2,699) | (2,150) | 21,126 |
| Fund balances brought forward at 1 January | | 12,201 | 81,877 | 57,185 | 151,263 | 130,137 |
| Fund balances carried forward at 31 December | 18 | 76,451 | 18,176 | 54,486 | 149,113 | 151,263 |

The statement of financial activities includes all gains and losses recognised in the year. Notes 1 to 22 form part of the financial statements. There is no material difference between the net incoming resources stated above and their historical cost equivalents. The treatment of the regular payments and related provisions was aligned with Financial Reporting Standard 12.

Group and Charity Balance Sheets

as at 31 December 2014

| | Notes | Group 2014 Total funds £000 | Group 2013 Total funds £000 | Charity 2014 Total funds £000 | Charity 2013 Total funds £000 |
|--|-------|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | 2,681 | 1,220 | 2,681 | 1,220 |
| Investment properties | 10 | 4,039 | 2,890 | 4,039 | 2,890 |
| Investments | 12 | 148,292 | 149,193 | 148,292 | 149,193 |
| Programme related investments | 13 | 418 | 543 | 418 | 543 |
| Total fixed assets | | 155,430 | 153,846 | 155,430 | 153,846 |
| Current assets | | | | | |
| Assets held for sale | 11 | 6,417 | 5,975 | 6,417 | 5,975 |
| Debtors | 14 | 494 | 3,170 | 494 | 3,170 |
| Short-term deposits | | 414 | 483 | 414 | 483 |
| Cash at bank and in hand | | 2,387 | 2,904 | 2,367 | 2,615 |
| Total current assets | | 9,712 | 12,532 | 9,692 | 12,243 |
| Creditors: amounts falling due within one year | 15 | (2,347) | (2,448) | (2,347) | (2,729) |
| Net current assets | | 7,365 | 10,084 | 7,345 | 9,514 |
| Total assets less current liabilities | | 162,795 | 163,930 | 162,775 | 163,360 |
| Creditors: amounts falling due after one year | 16 | (10,241) | (10,007) | (10,241) | (10,007) |
| Net assets excluding pension liability | | 152,554 | 153,923 | 152,534 | 153,353 |
| Defined benefit pension liability | 17 | (3,441) | (2,660) | (3,441) | (2,660) |
| Net assets including pension liability | | 149,113 | 151,263 | 149,093 | 150,693 |
| The funds of the group/charity: | | | | | |
| Endowed funds | | 54,486 | 57,185 | 54,486 | 57,185 |
| Restricted funds | | 18,176 | 81,877 | 18,176 | 81,768 |
| <i>Unrestricted funds</i> | | | | | |
| Designated funds | | 66,012 | 8,954 | 66,012 | 8,954 |
| General fund | | 10,439 | 3,247 | 10,419 | 2,786 |
| Total unrestricted funds | | 76,451 | 12,201 | 76,431 | 11,740 |
| Total group/charity funds | | 149,113 | 151,263 | 149,093 | 150,693 |

The financial statements and note on pages 28 to 42 were approved by the Board of Trustees on 14 May 2015 and signed on their behalf by:



Dame Diana Brittan

Chairman of the Board of Trustees

Date: 9/6/15

Consolidated Cash Flow Statement

for the year ended 31 December 2014

| | Note | 2014 £000 | 2014 £000 | 2013 £000 | 2013 £000 |
|--|------|-----------------|----------------|--------------|--------------|
| Net cash outflow from operating activities | A | | (3,059) | | (1,569) |
| Investment income | | | 5,411 | | 5,402 |
| Capital expenditure, financial investment and regular payments | | | | | |
| Purchases of investments | | (32,549) | | (15,744) | |
| Receipts from disposals of investments | | 42,233 | | 15,344 | |
| Purchase of investment properties and tangible fixed assets | | (2,076) | | (1,126) | |
| Cash payments - regular payments | | (1,924) | | (2,190) | |
| Net cash inflow/(outflow) from capital, financial investment and regular payments | | | 5,684 | | (3,716) |
| Management of liquid resources | | | | | |
| Decrease/(increase) in investment cash | | | (8,621) | | 485 |
| Decrease/(increase) in short-term deposits | | | 68 | | (34) |
| Net cash inflow/(outflow) from liquid resources | | | (8,553) | | 451 |
| Increase/(decrease) in cash | B | | (517) | | 568 |

Notes to the group consolidated cash flow statement

A Reconciliation of net incoming resources to net cash outflow from operating activities

| | 2014 £000 | 2013 £000 |
|--|----------------|--------------|
| Net incoming/(outgoing) resources | (1,891) | 2,215 |
| Depreciation | 86 | 71 |
| Investment income | (5,411) | (5,402) |
| Gain on disposal of fixed assets | (32) | (97) |
| Costs associated with the sale of Leigh Court | - | 286 |
| Decrease in programme related investments | 126 | 7 |
| Decrease in debtors | 2,677 | 2,662 |
| Increase in short-term creditors excluding regular payments | 104 | 281 |
| Movement of regular payment provision | 1,965 | (1,159) |
| Decrease in other long term liabilities | (12) | (14) |
| FRS 17 difference between pension contributions and current service cost | (671) | (419) |
| Net cash outflow from operating activities | (3,059) | (1,569) |

B Analysis of net funds

| | 1 January 2014 £000 | Cash flows £000 | 31 December 2014 £000 |
|---|------------------------------|-----------------------|--------------------------------|
| Cash at bank (including overnight deposits) and in hand | 2,904 | (517) | 2,387 |

Short-term deposits on more than one day's notice are considered to be liquid resources.

Notes to the Financial Statements

for the year ended 31 December 2014

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments to market value. The statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), applicable accounting standards in the United Kingdom and the Charities Act 2011. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Consolidated Statement of Financial Activities and Group Balance Sheet consolidate the financial statements of Independent Age and Counsel and Care for the Elderly (Counsel and Care) - a registered charity number 203429, and a limited company number 645708. For the purposes of the financial statements, Independent Age is deemed to control 100% of Counsel and Care. The results of Counsel and Care are consolidated on a line-by-line basis. No separate Statement of Financial Activities has been prepared for Independent Age alone as permitted by paragraph 397 of the SORP.

Independent Age is a registered charity (registered charity number 210729) and as such is entitled to certain tax exemptions on income and profits on investments and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Independent Age is the sole shareholder in IndependentAge Enterprises Limited (04735201) which is dormant. The directors of the company are senior officers of Independent Age.

b) Comparative data

The classification of charitable activities in the Statement of Financial Activities for 2014 has been aligned to the three principal objectives of the charity: Advice, Befriending and Campaigning. The results for 2013 have been restated in the same format, using the cost allocation bases described below, to aid comparison.

c) Fund accounting

Independent Age's financial statements are split between a number of discrete funds which are grouped by type as shown below:

Endowed funds

These are funds normally arising as a result of a will where the income, but not the capital sum, can usually be spent. Historically, these funds have been used mostly to underpin regular payments and the income and capital growth generated is included in Restricted Funds. On 1 August 2014, the supplementary Royal Charter came into effect. This simplified the charity's endowment funds structure and allowed capital and income growth on the bulk of funds to be treated as unrestricted.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of Independent Age. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

Additionally, where assets have been transferred to Independent Age under Charity Commission schemes, and there are restrictions as to the use of the sums transferred, these are Restricted Funds.

A Charity Commission scheme came into effect on 23 October 2014. This provided for further reorganisation of the restricted funds.

Unrestricted funds

These are funds which can be used in accordance with Independent Age's objects at the discretion of the Trustees.

Designated funds

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes, including strategic development.

General Fund

This Fund represents the true free reserves which have been identified within the reserves policy as a buffer against falls in income. The policy identifies the need to maintain sufficient monies to cover between 6 and 12 months of regular revenue expenditure.

Managing Trustee

Independent Age is the Managing Trustee of the F E Cobbold, Backsettown Charity and Wharton & Wittrick Funds. As such the Board of Trustees consider and approve resolutions specific to these Funds as appropriate.

d) Income recognition

Investment income and donations are included in the Statement of Financial Activities in the year in which they are receivable.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received and residuary legacies when the final accounts under the will are received.

Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

e) Legacies

In accordance with the 1998 Royal Charter, at least 50% of all legacies not specifically bequeathed were allocated to restricted funds. The 2014 Royal Charter removed this stipulation from 1 August 2014. Since that date all legacies not specifically bequeathed are allocated to unrestricted funds.

f) Expenditure

Expenditure is recognised on an accruals basis inclusive of any VAT. The charity is not registered for VAT, so is unable to recover any of the tax paid.

Costs of generating funds comprise investment management fees and the direct costs of fundraising not included within charitable activities, which attract a proportion of the support costs.

Charitable expenditure comprises direct expenditure, including 20% of total fundraising costs, relating to the objects of Independent Age and a proportion of the support costs.

Governance comprises costs attributable to compliance with constitutional and statutory requirements. This includes audit and other advisory costs, including some legal fees, plus the costs of Trustees' and Charter Members' meetings.

The allocation of support costs is based on numbers of staff engaged in each element of the charity's activities. These formulae are reviewed annually.

g) Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight line basis over the expected useful economic lives of the assets concerned which are taken as:

Plant and machinery:

| | |
|--------------------------|---------------|
| Electrical installations | 5 to 30 years |
| Mechanical installations | 5 to 30 years |
| Lift | 15 years |

Fixtures, fittings and equipment:

| | |
|---------------------------|----------------|
| Furniture and fittings | 10 to 15 years |
| ICT hardware and software | 3 years |
| Office equipment | 3 years |

Freehold buildings 50 years

The expected useful economic life of each item of plant and machinery has been determined by independent consulting quantity surveyors.

Freehold land is not depreciated.

h) Investments

Quoted investments are included in the financial statements at market value. Realised gains or losses on disposals and unrealised gains or losses resulting from fluctuations in market value are taken to the Statement of Financial Activities in the year in which they occur.

Investment short-term loans are held at cost.

i) Programme-related investments

These are 'loans' awarded to members who are leaseholders or freeholders of their property, mainly for household repairs and maintenance.

A provision for non-repayment is made against the aggregate value of loans issued. This has been calculated as 33% based on past experience and on management's current expectations. Loans are written off when there is no realistic prospect of any further recovery. The loans are not subject to interest charges. It is expected that loans will be repaid when the beneficiary has the capital available or from the beneficiary's estate on the death of the member.

j) Investment properties

The Board of Trustees determined in February 2014 that all property not required for operational purposes should be disposed of at the appropriate time. Prior to sales these properties are considered as investments.

k) Future commitments

The estimated net present value of the regular payments to Independent Age's beneficiaries is treated as a long-term liability. The long term provision is calculated using life expectancy tables to determine the period for which the regular payments may be made. The commitment is discounted using an appropriate rate. Any increase or decrease in the provision is taken to the Statement of Financial Activities for the year.

l) Pensions

Independent Age operates a defined benefits pension scheme, which is closed to new members. The current service costs of the scheme, together with the interest cost less the expected return on assets for the year, are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses are recognised immediately as other recognised gains and losses.

Independent Age also operates a defined contribution pension scheme and contributions have been accounted for in the period to which they relate. This scheme has been accredited for the purposes of Auto-enrolment.

m) Incoming transfers from Counsel and Care for the Elderly

Independent Age is the Managing Trustee of Counsel and Care, and all income and expenditure is consolidated in the group financial statements of Independent Age. Counsel and Care continues to produce financial statements as it is a company limited by guarantee. Independent Age disaggregates the reserves of Counsel and Care in the 'Charity' Balance Sheet.

n) Final payments on the sale of the care homes and gains on sales of other properties

The final payment in respect of the sale of the care homes was received, as expected, in 2014. This was received in respect of an overage condition in the sale agreement.

o) Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

2 Voluntary income

| | Unrestricted funds £000 | Restricted funds £000 | 2014 £000 | 2013 £000 |
|---------------|-------------------------------|-----------------------------|--------------|--------------|
| Donations | 451 | 1 | 452 | 321 |
| Trust income | 103 | 473 | 576 | 604 |
| Legacies | 1,084 | 270 | 1,354 | 1,521 |
| Bank interest | 1 | - | 1 | - |
| | <u>1,639</u> | <u>744</u> | <u>2,383</u> | <u>2,446</u> |

Trust income includes £182,585 (2013: £162,765) in restricted funds relating to Campaign to End Loneliness.

3 Investment income

| | Unrestricted funds £000 | Restricted funds £000 | 2014 £000 | 2013 £000 |
|-----------------------------------|-------------------------------|-----------------------------|--------------|--------------|
| Fixed interest income | 18 | 196 | 214 | 871 |
| Dividend income | 407 | 4,646 | 5,053 | 4,421 |
| Sub total - Investments | <u>425</u> | <u>4,842</u> | <u>5,267</u> | <u>5,292</u> |
| Investment property rental income | 136 | - | 136 | 102 |
| Bank deposit interest | 1 | 7 | 8 | 8 |
| | <u>562</u> | <u>4,849</u> | <u>5,411</u> | <u>5,402</u> |

4 Resources expended allocation

| | Generating Voluntary Income (Fundraising) | Advice | Befriending | Campaigning | Governance | Marketing & Comms | TOTALS |
|----------------------------------|--|--------------|--------------|--------------|------------|----------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Staff costs | 242 | 952 | 897 | 428 | 67 | 436 | 3,022 |
| Non staff costs | 673 | 2,666 | 285 | 297 | 110 | 237 | 4,268 |
| Sub total - Direct costs | 915 | 3,618 | 1,182 | 725 | 177 | 673 | 7,290 |
| Support costs | 227 | 779 | 604 | 236 | 22 | 428 | 2,296 |
| Sub total - All costs | 1,142 | 4,397 | 1,786 | 961 | 199 | 1,101 | 9,586 |
| Reallocation - Fundraising | (228) | 228 | - | - | - | - | - |
| Reallocation - Marketing & Comms | - | 441 | 220 | 440 | - | (1,101) | - |
| TOTAL COSTS | 914 | 5,066 | 2,006 | 1,401 | 199 | - | 9,586 |
| Total costs 2013 (Restated) | 717 | 1,671 | 1,862 | 919 | 251 | - | 5,420 |

Direct campaigning costs include £231,492 (2013: £205,924) relating to Campaign to End Loneliness. On behalf of the partnership of all five organisations on the 'management group' of Campaign to End Loneliness, Independent Age has taken on responsibility to employ the staff and manage the budget of Campaign to End Loneliness, which is subject to the charity's financial policies and procedures. This includes monthly reviews of management accounts and reporting to the funders on a regular basis.

| Support Costs | Staff costs £000 | Non staff costs £000 | 2014 Total £000 | 2013 Restated £000 | |
|--------------------------|------------------------|----------------------------|--------------------------------|--------------------------|-----|
| Chief Executive's Office | 151 | 54 | 205 | 311 | (a) |
| Director of Resources | 167 | 1 | 168 | 117 | (b) |
| Facilities | 117 | 291 | 408 | 368 | |
| ICT | 171 | 355 | 526 | 391 | |
| HR | 160 | 158 | 318 | 153 | |
| Finance | 253 | 166 | 419 | 310 | |
| Projects | 54 | 198 | 252 | 368 | |
| TOTALS | 1,073 | 1,223 | 2,296 | 2,018 | |

(a) Excludes 20% of direct costs and staff numbers allocated to Governance

(b) Excludes 15% of direct costs and staff numbers allocated to Governance

The apportionment of support costs was made pro-rata to the number of staff (FTE) in each of the charitable activities areas. Facilities costs were apportioned pro-rata to head office based staff only.

5 Group governance costs

| | 2014 £000 | 2013 Restated £000 |
|--|----------------------|--------------------------|
| Staff costs | 67 | 68 |
| External audit fees | 46 | 54 |
| Legal and other professional fees | 42 | 87 |
| Trustees' indemnity insurance | 9 | 1 |
| Trustees' meetings including expenses | 7 | 7 |
| Annual General Meeting expenses | 6 | 12 |
| Sub total - Direct costs | 177 | 229 |
| Allocation of support costs (see Note 4) | 22 | 22 |
| Total Governance costs | 199 | 251 |

6 Staff costs

| | 2014 | 2013 Restated |
|---------------------------------|--------------|------------------|
| | £000 | £000 |
| Salaries | 3,231 | 3,032 |
| Temporary staff costs | 249 | 184 |
| Employer National Insurance | 328 | 305 |
| Employer pensions contributions | 230 | 229 |
| | <u>4,038</u> | <u>3,750</u> |

7 Average monthly staff numbers organised by the Group's activities

| | 2014 | 2013 |
|------------------------|-----------|-----------|
| Advice | 24 | 25 |
| Befriending | 22 | 22 |
| Campaigning | 8 | 7 |
| Fundraising | 7 | 5 |
| Governance and Support | 31 | 26 |
| | <u>92</u> | <u>85</u> |

8 Number of employees with total emoluments excluding pensions of more than £60,000

| | 2014 | 2013 |
|---------------------|----------|----------|
| £60,001 - £70,000 | - | 1 |
| £70,001 - £80,000 | 1 | 1 |
| £90,001 - £100,000 | 1 | 1 |
| £100,001 - £110,000 | - | 1 |
| £110,001 - £120,000 | 1 | - |
| £130,001 - £140,000 | - | 1 |
| | <u>3</u> | <u>5</u> |

Pension contributions made by Independent Age in respect of higher paid employees amounted to: £31,833 (2013: £68,694).

9 Tangible assets

| | Assets under construction £000 | Freehold Land & Buildings £000 | Plant & Machinery £000 | Fixture, Fittings & Equipment £000 | TOTALS £000 |
|--|---|---|------------------------------|---|----------------|
| Cost | | | | | |
| As at 1 January 2014 | 316 | 800 | 56 | 180 | 1,352 |
| Transfer to investment properties | - | (290) | - | - | (290) |
| Transfer to assets held for sale | - | (231) | - | - | (231) |
| Transfer on completion of construction | (316) | 316 | - | - | - |
| Transfer from debtors | - | - | - | 66 | 66 |
| Additions | - | 462 | 1,093 | 455 | 2,010 |
| Disposals | - | - | - | (18) | (18) |
| TOTAL | <u>-</u> | <u>1,057</u> | <u>1,149</u> | <u>683</u> | <u>2,889</u> |
| Accumulated depreciation | | | | | |
| As at 1 January 2014 | - | - | 16 | 116 | 132 |
| Depreciation | - | 5 | 18 | 63 | 86 |
| Disposals | - | - | - | (10) | (10) |
| TOTAL | <u>-</u> | <u>5</u> | <u>34</u> | <u>169</u> | <u>208</u> |
| Net book value | | | | | |
| As at 31 December 2014 | - | 1,052 | 1,115 | 514 | 2,681 |
| As at 31 December 2013 | 316 | 800 | 40 | 64 | 1,220 |

10 Investment properties

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| As at 1 January 2014 | 2,890 | 2,135 |
| Transfer from tangible fixed assets | 290 | - |
| Additions | - | 755 |
| Unrealised gain on property revaluation | 859 | - |
| As at 31 December 2014 | <u>4,039</u> | <u>2,890</u> |

11 Assets held for sale

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| As at 1 January 2014 | 5,975 | 5,975 |
| Transfer from tangible fixed assets | 231 | - |
| Unrealised gain on property revaluation | 211 | - |
| As at 31 December 2014 | <u>6,417</u> | <u>5,975</u> |

The charity's former headquarters at 6 Avonmore Road, along with Leigh Court and 1 & 2 Rowley Cottages, value of £5,631,000 included above, were sold on 18 January 2015 for £12,800,000.

12 Investments Group and Charity

| | Unrestricted funds £000 | Restricted funds £000 | Endowed funds £000 | 2014 £000 | 2013 £000 |
|-------------------------------------|-------------------------------|-----------------------------|--------------------------|----------------|----------------|
| Quoted investments | 67,146 | 17,416 | 54,486 | 139,048 | 148,570 |
| Cash | 7,422 | 1,572 | - | 8,994 | 373 |
| Investments held with fund managers | 74,568 | 18,988 | 54,486 | 148,042 | 148,943 |
| Investment short-term loan | 250 | - | - | 250 | 250 |
| | <u>74,818</u> | <u>18,988</u> | <u>54,486</u> | <u>148,292</u> | <u>149,193</u> |

Reconciliation of investments held with fund managers

| | 2014 £000 | 2013 £000 |
|-------------------------------|----------------|----------------|
| Market value at 1 January | 148,943 | 130,590 |
| Additions | 32,549 | 15,745 |
| Disposals | (36,757) | (14,489) |
| Net unrealised (losses)/gains | (5,314) | 17,582 |
| Movement in cash | 8,621 | (485) |
| Market value at 31 December | <u>148,042</u> | <u>148,943</u> |
| Historic cost at 31 December | 131,818 | 108,058 |

Investments held with fund managers - breakdown by type

| | 2014 £000 | 2013 £000 |
|--|----------------|----------------|
| UK equities | 92,776 | 117,713 |
| Global equities | 577 | 9,136 |
| UK bonds | 16,584 | 18,351 |
| Global bonds | 3,943 | 2,257 |
| Structured products and private equity | - | 1,113 |
| Diversified growth funds | 25,168 | - |
| Cash | 8,994 | 373 |
| | <u>148,042</u> | <u>148,943</u> |

No single investment at 31 December 2014 represented more than 5% of the total portfolio.

13 Programme related investments

| | 2014 £000 | 2013 £000 |
|-------------------------------|-------------------|-------------------|
| Loan balance as at 1 January | 543 | 649 |
| Loans awarded during the year | - | 12 |
| Loans repaid | (24) | (13) |
| Adjustments | 97 | - |
| Total loans outstanding | <u>616</u> | <u>648</u> |
| Loans written off | - | (76) |
| Provision | <u>(198)</u> | <u>(29)</u> |
| | <u><u>418</u></u> | <u><u>543</u></u> |

14 Debtors: amounts falling due within one year

| | Group | | Charity | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | 2014 £000 | 2013 £000 | 2014 £000 | 2013 £000 |
| Trade debtors | 2 | 2,568 | 2 | 2,568 |
| Amount due from related charities | 10 | 10 | 10 | 10 |
| Other debtors | 31 | 246 | 31 | 246 |
| Prepayments | 30 | 75 | 30 | 75 |
| Accrued income | 421 | 271 | 421 | 271 |
| | <u>494</u> | <u>3,170</u> | <u>494</u> | <u>3,170</u> |

15 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|--------------|--------------|--------------|--------------|
| | 2014 £000 | 2013 £000 | 2014 £000 | 2013 £000 |
| Trade creditors | 239 | 253 | 239 | 253 |
| Regular payment liability (Note 16) | 1,760 | 1,965 | 1,760 | 1,965 |
| Amounts owed to purchaser of care homes | - | (1) | - | (1) |
| Amounts due to related charity | - | - | - | 281 |
| Other creditors | - | 84 | - | 84 |
| Accruals and deferred income | 348 | 147 | 348 | 147 |
| | <u>2,347</u> | <u>2,448</u> | <u>2,347</u> | <u>2,729</u> |

16 Reconciliation of Regular Payments and Leigh Court provision

| | 2014 £000 | 2013 £000 |
|-------------------------------------|----------------------|----------------------|
| Commitments at 1 January | 11,972 | 15,335 |
| Movement in provision | 1,965 | (1,159) |
| Amount paid in the year | (1,924) | (2,190) |
| Movement in Leigh Court provision | (12) | (14) |
| Commitments payable at 31 December | <u>12,001</u> | <u>11,972</u> |
| Commitments payable within one year | 1,760 | 1,965 |
| Commitments payable after one year | <u>10,241</u> | <u>10,007</u> |
| | <u><u>12,001</u></u> | <u><u>11,972</u></u> |

The calculation of the annual movement in the regular payments provision is significantly influenced by the discount factor used to estimate the current value of future commitments. The 2014 factor, based on the 10 year iBoxx Sterling Non-Gilt Bond index, was 3.14 which was considerably lower than the 4.3 used in 2013 resulting in a significant increase in the provision.

17 Pensions Scheme - FRS 17 - Retirement Benefits - Charity and Group

The employer operates a defined benefit (final salary) scheme in the UK. A full actuarial valuation was carried out at 30 September 2013 and updated to 31 December 2014 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The employer currently pays contributions at the rate of 21.8% p.a. (26.7% p.a. from 1 April 2015) of members' earnings in respect of non-contributory members and 15.8% p.a. (20.7% p.a. from 1 April 2015) of members' earnings in respect of contributory members. In addition the employer pays £393,000 p.a. (£764,000 p.a. from 1 April 2015) in respect of the funding shortfall and £60,000 p.a. (£62,515 p.a. from 1 April 2015) in respect of scheme expenses. Member contributions are payable in addition at the rate of 6.0% p.a. of members' earnings in respect of contributory members only. The PPF levy is paid separately by the employer upon receipt of the invoice.

Present values of scheme liabilities, fair value of assets and surplus (deficit)

| | 31 December 2014 £000 | 31 December 2013 £000 | 31 December 2012 £000 |
|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Fair value of scheme assets | 15,527 | 13,905 | 12,560 |
| Present value of scheme liabilities | 18,968 | 16,565 | 16,112 |
| Deficit in scheme | (3,441) | (2,660) | (3,552) |
| Unrecognised surplus | - | - | - |
| Liability recognised | (3,441) | (2,660) | (3,552) |

Reconciliation of opening and closing balances of the present value of the scheme liabilities

| | Period ending 31 December 2014 £000 | Period ending 31 December 2013 £000 |
|---|---|---|
| Scheme liabilities at start of period | 16,565 | 16,112 |
| Current service cost | 74 | 126 |
| Expenses | 79 | 82 |
| Interest cost | 747 | 696 |
| Contributions by scheme participants | 42 | 35 |
| Actuarial losses | 2,327 | 348 |
| Benefits paid, death in service premiums & expenses | (866) | (834) |
| Past service costs | - | - |
| Scheme liabilities at end of period | 18,968 | 16,565 |
| Scheme liabilities at start of period | 16,565 | 16,112 |

Reconciliation of opening and closing balances of the fair value of scheme assets

| | Period ending 31 December 2014 £000 | Period ending 31 December 2013 £000 |
|---|---|---|
| Fair value of scheme assets at start of period | 13,905 | 12,560 |
| Expected return on scheme assets | 922 | 756 |
| Actuarial gains | 954 | 821 |
| Contributions by the employer | 570 | 567 |
| Contributions by scheme participants | 42 | 35 |
| Benefits paid, death in service premiums & expenses | (866) | (834) |
| Fair value of scheme assets at end of period | 15,527 | 13,905 |

The actual return on the scheme assets over the period ending 31 December 2014 was £1,876,000.

Total expense recognised in statement of financial activities

| | Period ending 31 December 2014 £000 | Period ending 31 December 2013 £000 |
|--|---|---|
| Current service cost | 74 | 126 |
| Expenses | 79 | 82 |
| Interest cost | 747 | 696 |
| Expected return on scheme assets | (922) | (756) |
| Past service cost | - | - |
| Total expenses recognised in Statement of Financial Activities | (22) | 148 |

Statement of total recognised gains and losses

| | Period ending 31 December 2014 £000 | Period ending 31 December 2013 £000 |
|--|---|---|
| Difference between expected and actual return on scheme assets - gain | 954 | 821 |
| Experience gains and losses arising on the scheme liabilities - loss | - | (563) |
| Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - (loss)/gain | (2,327) | 215 |
| Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss)/gain | (1,373) | 473 |
| Effect of limit on amount of surplus recognised due to some of the surplus not being recognisable - (loss)/gain | - | - |
| Total amount recognised in statement of total recognised gains and losses - (loss)/gain | (1,373) | 473 |

| | 31 December 2014 % per annum | 31 December 2013 % per annum | 31 December 2012 % per annum |
|--|------------------------------------|------------------------------------|------------------------------------|
| Rate of discount | 3.40 | 4.60 | 4.40 |
| Inflation (RPI) | 3.10 | 3.50 | 3.00 |
| Inflation (CPI) | 2.10 | 2.60 | 2.20 |
| Salary increases | 2.10 | 2.00 | 2.00 |
| Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less | 3.10 | 3.50 | 3.00 |
| Allowance for pension in payment increases of CPI or 5% p.a. if less | 2.10 | 2.60 | 2.20 |
| Allowance for pension in payment increases of CPI or 2.5% p.a. if less | 1.70 | 2.10 | 1.90 |
| Allowance for commutation of pension for cash at retirement | 90% of Post a Day | 90% of Post a Day | 90% of Post a Day |

The mortality assumptions adopted at 31 December 2014 imply the following life expectancies:

| | Life expectancy at age 65 years |
|-------------------------|------------------------------------|
| Male retiring in 2014 | 23.3 |
| Female retiring in 2014 | 24.9 |
| Male retiring in 2034 | 25.1 |
| Female retiring in 2034 | 26.4 |

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet date. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rates of return on equity-type assets and property are based on the rate of return on bonds with an allowance for out-performance.

The expected long term rates of return applicable for each period are as follows:

| | Period commencing 1 January 2014 % per annum | Period commencing 1 January 2013 % per annum |
|--------------------|---|--|
| Equity-type assets | 7.60 | 7.00 |
| Bonds | 3.96 | 3.50 |
| Property | 6.60 | 6.00 |
| Other | 1.00 | 0.50 |
| Overall for scheme | 6.69 | 6.08 |

| | 2014 £000 | 2013 £000 | 2012 £000 | 2011 £000 | 2010 £000 |
|---|----------------------|--------------|--------------|--------------|--------------|
| Fair value of scheme assets | 15,527 | 13,905 | 12,560 | 11,731 | 12,367 |
| Present value of scheme liabilities | 18,968 | 16,565 | 16,112 | 15,781 | 15,441 |
| Deficit in the scheme | (3,441) | (2,660) | (3,552) | (4,050) | (3,074) |
| Experience adjustment on scheme assets | 954 | 821 | 396 | (973) | 489 |
| Experience adjustment on scheme liabilities | - | (563) | 14 | 599 | 139 |

The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 January 2015 is £922,000.

Independent Age also operates a defined contribution scheme administered by The Pensions Trust. Members of the scheme contribute up to 6% whilst the Employer contributes up to 10%.

18 Movement on funds - Group and Charity

| | Balance at 1 January 2014 Restated £000 | Incoming resources £000 | Resources expended £000 | Transfers £000 | Gains / (Losses) £000 | Balance at 31 December 2014 £000 |
|---|---|-------------------------------|-------------------------------|-------------------|-----------------------------|--|
| Independent Age | | | | | | |
| Endowed funds | | | | | | |
| Permanent Annuities Fund | 35,918 | - | - | (35,813) | (105) | - |
| FE Cobbold Trust Fund | 11,202 | - | - | (9,807) | (33) | 1,362 |
| Ulster Ladies Trust Fund | 125 | - | - | (125) | - | - |
| Backsettown Endowed Charity | 266 | - | - | - | - | 266 |
| Backsettown Charity (expendable) | 47 | - | - | (47) | - | - |
| Georgina Tompkins | 82 | - | - | (82) | - | - |
| Provision of Homes Fund - Capital | 457 | - | - | (455) | (2) | - |
| All Saints Charity Capital Fund | 9,088 | - | - | (9,061) | (27) | - |
| Wharton & Wittrick | - | - | - | 400 | - | 400 |
| General Endowment Fund | - | - | - | 52,295 | 163 | 52,458 |
| Total endowed funds | 57,185 | - | - | (2,695) | (4) | 54,486 |
| Restricted funds | | | | | | |
| <i>Restricted capital funds</i> | | | | | | |
| Life Annuities Fund | 41,537 | 835 | - | (42,251) | (121) | - |
| Provision of Homes Fund | 27,739 | 599 | - | (28,257) | (81) | - |
| Homes of Rest for Gentlewomen | 3,457 | 308 | - | (3,754) | (11) | - |
| Total restricted capital funds | 72,733 | 1,742 | - | (74,262) | (213) | - |
| <i>Restricted income funds</i> | | | | | | |
| Permanent Annuities Fund | 1,604 | 755 | - | (2,354) | (5) | - |
| Georgina Tompkins Charity | 3 | 2 | - | (5) | - | - |
| Backsettown Charity | 42 | 2 | - | (44) | - | - |
| All Saints Income Fund | 904 | 18 | - | (919) | (3) | - |
| FE Cobbold Trust Fund | 2,843 | 673 | 1,131 | 9,807 | 37 | 12,229 |
| Backsettown Endowed Charity | 22 | 15 | - | 92 | - | 129 |
| Wharton & Wittrick | - | - | - | - | - | - |
| RUKBA Holiday Fund | - | 47 | 539 | 3,840 | 14 | 3,362 |
| Ulster Ladies Trust Fund | 569 | 33 | 54 | 124 | 2 | 674 |
| General Endowment Fund | - | 1,433 | - | 163 | 3 | 1,599 |
| Other restricted funds | 3,048 | 902 | 3,484 | (286) | 3 | 183 |
| Total restricted income funds | 9,035 | 3,880 | 5,208 | 10,418 | 51 | 18,176 |
| Total restricted funds | 81,768 | 5,622 | 5,208 | (63,844) | (162) | 18,176 |
| Unrestricted funds | | | | | | |
| <i>Designated funds</i> | | | | | | |
| Strategic Investment Fund | 996 | - | - | 24,004 | - | 25,000 |
| Property strategy | 2,056 | - | - | (1,951) | - | 105 |
| Governance review | 50 | - | - | (50) | - | - |
| Head office repairs fund | 25 | - | - | (25) | - | - |
| Tangible fixed asset fund | 2,890 | - | - | (209) | - | 2,681 |
| Designated endowment fund | - | - | - | 35,000 | - | 35,000 |
| Pension reserve | (2,660) | 175 | (417) | - | (1,373) | (3,441) |
| Property Revaluation Reserve | 5,597 | - | - | - | 1,070 | 6,667 |
| Total designated funds | 8,954 | 175 | (417) | 56,769 | (303) | 66,012 |
| General fund | 2,786 | 2,044 | 4,032 | 9,411 | 210 | 10,419 |
| Total unrestricted funds | 11,740 | 2,219 | 3,615 | 66,180 | (93) | 76,431 |
| Sub-total Independent Age | 150,693 | 7,841 | 8,823 | (359) | (259) | 149,093 |
| Counsel and Care for the Elderly | | | | | | |
| Funds restricted by donor | 110 | 1 | 54 | (57) | - | - |
| General fund | 460 | 280 | 1,136 | 416 | - | 20 |
| Sub-total Counsel and Care | 570 | 281 | 1,190 | 359 | - | 20 |
| Total Group | 151,263 | 8,122 | 10,013 | - | (259) | 149,113 |

Fund Descriptions

The Royal Charter 2014 stipulated the establishment of a General Endowment Fund comprising all of the monies previously held in the Permanent Annuities Fund, the Provision of Homes Capital Fund, the Annuitants' Relief Fund and part of the Life Annuities Fund.

The Charity Commission scheme, which became effective on 23 October 2014, defined the nature and purposes of the three endowed funds of which Independent Age is the Managing Trustee, namely: F E Cobbold Fund, Backsettown Endowed Charity Fund, and the Wharton and Wittrick Fund. The Scheme further provided for the merger of Homes of Rest for Gentlewomen and the Georgina Tompkins Ladies Fund into the RUKBA Holiday Fund; confirmation that both the capital and income of the Ulster Ladies Fund could be expensed in accordance with its restrictions; and amended the restrictions on other named funds.

The implementation of these changes is reflected in the transfers between funds in the table above.

The Endowed and Restricted Funds described below are those in place as at 31 December 2014.

Endowed Funds

F E Cobbold Fund represents monies to be held on trust to invest and apply to relief to older people in need by reason of ill-health, disability, financial hardship or other disadvantage, with preference to persons who are residents of Suffolk, by the provision of grants and other financial assistance and the provision of advice and support.

Backsettown Charity Fund is to relieve persons who are in conditions of need, hardship or distress or who, by reason of physical or mental illness or otherwise, are in need of rest and recuperation by making of grants or the provision of facilities that are calculated to relieve such need.

Wharton & Wittrick Fund is to be held on trust to invest and apply the income to relief to older people in need by reason of ill-health, disability, financial hardship or other disadvantage, with preference to persons who have been employed with the health and social care professions, by the provision of grants and other assistance relating to accommodation.

General Endowment Fund provides for the income and any capital growth, greater than the movement in the Consumer Price Index in any one financial year, may be used for the general purposes of the Charity.

Restricted Funds

There are income funds associated with each of the Endowed Funds. The monies held in each of these may only be disbursed in accordance with the restrictions described above.

Ulster Ladies Trust Fund: the income and capital may be applied for the relief of persons in need by reason of ill-health, disability, financial hardship or other disadvantage with a preference for those living or formerly living in Northern Ireland.

RUKBA Holiday Fund: the income and capital may be applied for the relief in need of persons in reduced circumstance with a preference for those from the South of England, by provision of holidays or in such ways as the Trustees shall think fit.

Designated Funds

Paragraph 4.13 of the Royal Charter 2014 allows the charity to "set aside funds for special purposes and as reserves against future expenditure". These funds are represented by a number of designated funds whose individual purposes are described below.

Strategic investment fund has been set aside to meet the costs of implementing Independent Age's strategic plan 2015 to 2020, including the Step Change and Fundraising strategies.

Property strategy fund has been set aside in order to fund remaining capital works arising out of the property strategy which will be concluded in 2015.

Governance review fund is no longer required since the award of the new Royal Charter in 2014.

Head office repairs fund is no longer required since the move to the new Head Office building in September 2014.

Tangible fixed asset fund recognises the sums tied up in operational fixed assets - primarily the head office building at 18 Avonmore Road.

Pension reserve fund recognises the liability of the Group to the Trustees of its defined benefit pension scheme.

Designated endowment fund represents monies set aside from the unrestricted funds for the purpose of providing for the furtherance of the charitable aims of the charity. It is the Trustees' intention that these monies be governed by the Total Return accounting principles adopted for the Endowed funds in December 2014. That is to say that the charity seeks to maintain its reserves at a level that generates a Total Return sufficient to meet the objectives of the charity in the longer term.

General funds

General funds are unrestricted funds not held or designated for other purposes and used for the general work of Independent Age.

19 Analysis of net assets between funds - Group and Charity

| | Unrestricted funds £000 | Designated funds £000 | Restricted funds £000 | Endowed funds £000 | Total funds £000 |
|--|-------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------|
| Independent Age | | | | | |
| Tangible fixed assets | - | 2,681 | - | - | 2,681 |
| Investments | 8,046 | 66,772 | 18,988 | 54,486 | 148,292 |
| Investment properties | - | - | 4,039 | - | 4,039 |
| Programme related investments | - | - | 418 | - | 418 |
| Current assets | 2,959 | - | 6,733 | - | 9,692 |
| Current liabilities | (586) | - | (1,761) | - | (2,347) |
| Creditors: Amount falling due after more than one year | - | - | (10,241) | - | (10,241) |
| Defined benefit pension scheme liability | - | (3,441) | - | - | (3,441) |
| Sub-total Independent Age | 10,419 | 66,012 | 18,176 | 54,486 | 149,093 |
| Counsel and Care for the Elderly | | | | | |
| Current assets | 20 | - | - | - | 20 |
| Sub-total Counsel and Care | 20 | - | - | - | 20 |
| Total Group | 10,439 | 66,012 | 18,176 | 54,486 | 149,113 |

20 Trustees' indemnity insurance

As permitted under its Charter, in 2014 Independent Age paid charity indemnity insurance of £9,275 (2013: £843).

21 Trustees' remuneration and expenses

No Trustee was paid nor waived any remuneration during the year. Expenses of £235 (2013: £758) were reimbursed to 2 (2013: 2) Trustees.

22 Related parties and connected charities

The Florence Nightingale Aid in Sickness Trust (FNAIST), registered charity number 211896, was administered by Independent Age, as Managing Trustee, under a Charity Commission Scheme dated 13 April 2006 until August 2014. Independent Age continued to provide financial and payroll services until the end of the financial year. FNAIST paid the sum of £10,467 (2013: £13,000) for administration. As at 31 December 2014 FNAIST owed Independent Age £9,818 (2013: £9,628) primarily for the reimbursement of salary and pensions expenditure.

Counsel and Care merged with Independent Age in October 2011 but continues to operate as a separate charitable company for the collection of donations and legacies. Independent Age is the Managing Trustee and continues to provide the services previously offered by Counsel and Care.

Professor Martin Green OBE, Chair of the International Longevity Centre - UK (ILC-UK), was co-opted as a Trustee of Independent Age in August 2014. Since that date, amounts totalling £16,950 have been paid to ILC-UK as part of a longer term research engagement.

Charter Members

- 1963** His Grace the Duke of Abercorn KG
1992 Her Grace the Duchess of Abercorn
1986 Mr L V Adamson
2005 Lady Aird CVO
2009 Mr C Anson CVO
2012 Professor S Balloch
2003 Mr U D Barnett
2009 Mr M Barton
2010 Ms R Bayley
2009 Mr K Bernbaum
2010 Ms L Berry OBE
2010 Ms E C Best
1995 Miss M C L Boggis
2012 Mrs M Bremner
2009 Dame Diana Brittan DBE
2011 Mr N Broadhead
2006 Mr R D H Bryce
2009 Mr S Burke
2010 Ms P Butler
2009 Mr P Cann
2005 Mrs J M Casimir
2008 Ms S Collins
2002 Mrs S M Cookson
1989 Mr J A Cummings
2012 Ms M Dangoor
2012 Mr T Davis (to April 2014)
2012 Lady Denman
2012 Mr T Dennis
2014 Judge M Dight (from June 2014)
2010 Ms C Dize
2007 Ms S Douthwaite MSc Minst F (cert)
FRSA
2003 Mr N G E Driver BSc FRICS
1996 Commander J R Ducker R N (Rtd)
2010 Mr S Dunmore
1998 Mrs M J Eason
2010 Prof M Else
1965 Mrs E R Evans
2003 Mr P W Fane
2012 Mrs F Findlay
2010 Ms J Fitzsimmins
2011 Dr J Frain
1991 Mrs D M Friend
2003 Mr N R L Fry MA FCA
2010 Mr R Furze
1996 Mrs M R Garstin
1999 Mr K R Gilham BSc FIA
2009 Dr N Graham BM, Bch, FRCPsych,
DUniv
2009 Prof M Green
2005 Mr R H Gritten BA MSc FRSA
2009 Mr R Gutch
2011 Dr H Hanbury
2013 Dr M Harding (to October 2014)
2010 Mr D Harker
2004 Mr M A Hayes
1996 Miss D A K Hayman
2012 Miss P Hibbs
2012 Mr T Hitchcock
2012 Miss D Hodson
1999 Mr A M Hogg
1992 Lieutenant Colonel E T Horsford MBE
MC
2006 Mr T J Howe MA FCA
1990 Dr T G Hudson MB BChir MRCP
2005 Mrs F C Hughes
2008 Mr R Humphries
1981 Mr T W A Jackson-Stops FRICS
2011 Ms C Jacobs
1980 Mrs J L I James
1990 Mrs G Kench
1972 Mr M Kench OBE FCII
2009 Professor M Knapp
1995 Mrs A P F Kyngge
2012 Stella Kyriazis, Countess Caridi
1974 Mrs B Laidlaw

Charter Members

| | | | |
|-------------|-------------------------------------|-------------|-----------------------------------|
| 1991 | Lady Laing | 2013 | Mr J Steel |
| 2009 | Mrs C Loyd | 1994 | Mr P Stirrup MA FIA |
| 1977 | Dr A D MacAdam | 2001 | Mr R N Strathon MA FRICS |
| 1986 | Mrs I Macdonald | 1985 | Mr J G Tregoning |
| 2010 | Professor J Manthorpe | 1999 | Mr W G Underwood |
| 1986 | Mrs M E G Martineau | 2011 | Mr I Watson |
| 2013 | Ms E McCartney | 1989 | Mr J R Whately |
| 1995 | Dr J S Meyrick | 2009 | Ms K Whitehorn |
| 1983 | Mrs A F Moore-Gwyn | 2010 | Mrs D Wilkinson |
| 2001 | Mr R A Morris DL | 1992 | Professor H S Wolff BSc FI Biol |
| 1979 | Mrs V E Morrison | 2001 | Mrs M Worlidge |
| 1986 | Mrs S Neilson | 2011 | The Rt Hon the Earl of Yarborough |
| 2010 | The Rt. Hon. the Baroness Neuberger | | |
| 2002 | Mrs P A O'Brien | | |
| 2010 | Mr G Oppenheim | | |
| 1996 | Mr P W Parker TD | | |
| 1991 | Mrs J I Parkinson | | |
| 2012 | Mr G Patterson | | |
| 2009 | Mr J Pedder | | |
| 1971 | Mrs C H D Pemberton | | |
| 1981 | The Hon Mrs S B Phillimore | | |
| 1985 | Mr P G Pollock MA FCA | | |
| 1994 | Mr M E Portch FCA | | |
| 1996 | Mrs G Powell | | |
| 2004 | Mr H M Priestley | | |
| 2001 | Mr A Provis | | |
| 2008 | Mrs H R Raikes | | |
| 1989 | Mr W Rathbone OBE MA (Oxon) | | |
| 2008 | Ms S H Reed | | |
| 1983 | Mr E M Reeves | | |
| 2010 | Ms A Roberts | | |
| 2013 | Ms L Romeo | | |
| 1994 | Miss P Routledge CBE DLitt | | |
| 2009 | Professor J Schneider | | |
| 2014 | Dame Helena Shovelton | | |
| 2009 | Mr R Smith | | |
| 1989 | Mrs D M Spence | | |
| 1998 | Mrs A K Steel | | |

As at 31 December 2014



advice and support for older age

**Independent
Age**

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The Royal United Kingdom
Beneficent Association

Independent Age is the operating
name of the Royal United Kingdom
Beneficent Association
Registered charity number 210729