



ad  
**Independent  
Age**

# Annual report and accounts 2013

Offering the  
'ABC' of advice,  
befriending and  
campaigning



Photography by:  
James Bell  
Victoria Tetley  
Stuart Walker  
Shaun Flannery

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**This year, our 150th year of service, has been an extremely important one in which we have seen our 'ABC' strategy, launched in 2012, really take shape. The decision to focus our work into three key areas - advice, befriending and campaigning - is already proving to be an effective way to reach many more older people who need our help, though of course there is still much work to be done.**

Two areas of special concern to us are the lack of benefits advice and information for older people and the distressing issue of loneliness in old age. Statistics show that over £5 billion worth of benefits go unclaimed by older people on a low income in the UK every year - around one third of those eligible to receive Pension Credit and up to 60% of those who could be claiming the disability benefit for over-65s, Attendance Allowance.

While it is known that many older people are lonely, one in 10 are so isolated that they are only in contact with friends, family or neighbours less than once a month. This state of affairs even prompted the Secretary of State for Health, Jeremy Hunt MP, last October, to label it a "national shame".

Tackling these problems requires all sectors of society to work in partnership. During 2013, we have continued to help steer the Campaign to End Loneliness, which we founded with four other charities back in 2011. We were also an active member of the Ready for Ageing Alliance campaigning for a more joined-up approach by government to ageing; joined hundreds of other organisations campaigning for better support and services for carers during Carers Week; and worked with think-tanks, like the International Longevity Centre and Strategic Society Centre, on our policy and campaigns work. In addition to this, we continued to play an active role in the Care and Support Alliance, campaigning for improvements in the social care system.

These and other initiatives mean that this is an exciting time for Independent Age and I would like to take this opportunity to thank all those who have been involved in 2013 - staff, volunteers, supporters, partners and particularly the Trustee Board. We are proud to be helping more older people now than ever before and are determined that many more thousands will reap the benefits from all our hard work.

*Diana Brittan*

**Dame Diana Brittan**  
Chairman



**After the launch of our 'ABC' strategy, developing our work in the three areas of advice, befriending and campaigning, 2013 has been an extremely productive anniversary year. We have extended our reach more than ever before - directly supporting almost 12,000 older people, their families and carers, and helping another 56,000 through our public information service.**

So now, fuelled by appalling levels of loneliness and a desperate need for reliable and accessible advice and information, we have begun to implement plans for an even bigger 'step-change' to key areas of our work. This will see a marked rise in the number of older people we support over the coming years and raise our profile nationally.

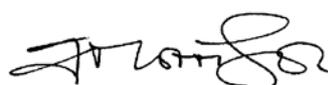
Firstly, we are focusing on expanding our popular Wise Guide series of practical handbooks for the over-65s. Our research shows us that older people have been overwhelmingly impressed with our Wise Guides, with almost half saying they had already used one to, for example, claim a benefit or find a service. We now plan to add more books to the series and, utilising our growing network of partners, will increase the distribution, currently at around 40,000, to 200,000 by 2017.

Next, we are significantly scaling up our telephone discussion groups service, TalkTime phone clubs, which enable older people to enjoy regular stimulating discussions from the comfort of their own home, aiming to increase the number of participants from the current 200 to 700 to 2016. We receive consistently positive feedback from those who use the service - mostly book or film groups - and it has proven to be an effective way to help lessen the boredom and loneliness that can take hold after retirement.

Thirdly, we have already begun to step up our campaigning activities, moving steadily towards our goal of becoming a well-known and dynamic voice for older people, their families and carers. We want to put more of our resources into campaigning on desperately important issues, like the scandal of care home top-ups, gaining media attention and pushing them up the political agenda. Our increased efforts have already resulted in more than 30 MPs signing a motion in Parliament in recognition of our 150 years of service and committing to supporting our work.

These exciting changes would not be possible without our dedicated staff, volunteers and supporters. Special thanks also go to the Big Lottery Fund, The Blaggrave Trust, City Bridge Trust and John Ellerman Foundation for their generous funding during the year. We are also extremely grateful to Calouste Gulbenkian Foundation for their loyal support as the founder funder of Campaign to End Loneliness, of which we are a founding partner.

With our eyes firmly fixed on these fresh targets, we are determined to make this year another valuable one in the long history of Independent Age.



**Janet Morrison**  
Chief Executive



# Trustees' report

## Introduction

Independent Age is a growing charity supporting thousands of older people across the UK and Ireland through the 'ABC' of advice, befriending and campaigning. Founded 150 years ago, we are an established voice for older people, their families and carers, offering free advice and information on care and support, and helping to alleviate loneliness with befriending services. In addition to this, we use the knowledge and understanding gained from our frontline services to campaign for a fair deal for older people in policy and practice.

**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 lead independent and fulfilling lives.

We do this by:

- delivering to older people in need, and their families and carers, information and advice on social care, welfare benefits, befriending services and other social support
- providing one-to-one befriending and support to the individual, delivered to a consistently high standard.

## Our strategic objectives 2012-2015

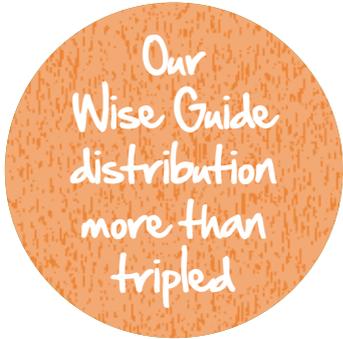
### 1. Advice and information

Provide information and advice (both public and personal) on social care, welfare benefits, befriending, social support and combating loneliness, to a consistently high standard of accuracy, practicality and ease of use.

#### Advice service

Our advice service provides advice and information on social care, benefits and local social activities for older people over the telephone and via email for members of the public. In 2013, the number of calls we received almost doubled and, thanks to targeted promotion of the service, a higher percentage of callers were older people themselves rather than relatives or friends. Overall, 6,417 people contacted our advice service in 2013, compared to 3,500 in 2012.

Part of this increase was because we moved our publication orders to the advice service to provide a more holistic approach to callers, ensuring that older people requesting Wise Guides are aware of, for example, any benefits they may be entitled to (we trained our first tier advisers to give more detailed advice on benefits). We also introduced an answerphone



Our  
Wise Guide  
distribution  
more than  
tripled

and call back system, and an 0800 freephone number to make the service more accessible.

### **Public information service Wise Guides**

We are developing a series of Wise Guides - practical handbooks for older people - in line with our goal to extend our public information reach. We revised our original Wise Guide, now called Advice for Later Life, which focuses on benefits and entitlements, and launched two more - Extra Help at Home, about maintaining independence, and Healthy, Happy Connected, about staying socially and physically active. We have also commissioned a fourth, Choosing a Care Home, which is due to be published in 2014.

Research on Wise Guide 1 revealed that older people are overwhelmingly impressed with it, with almost half (42%) of the people we asked saying they had already used it to, for example, claim a benefit or find a service. Overall, our Wise Guides distribution increased from 14,500 in 2012 to 42,494 in 2013.

### **Information guides**

We carried out a detailed revision of our information guides and factsheets, commissioning an external editor to update them and make them more user-friendly. Over 32,000 guides, factsheets and Wise Guides were downloaded online in 2013, (there were 27,986 unique downloads), with the most popular

being guides about care home fees and deprivation of capital.

### **Website**

The Independent Age website received a total of 135,000 visits in 2013 - up from 80,000 in 2012 - from over 100,000 unique visitors (compared to 60,000 in 2012). The advice section of the website received 43,467 visits.

### **Newsletters**

We launched a 'new look' advice and information e-newsletter in August, which updates subscribers on our public information offer, our frontline services and other relevant news. The subscription rate rose from 1,156 in August to 1,784 in December. We aim to promote this resource further in 2014.

### **Partnerships**

Our Strategic Partnerships team, created in 2012, made significant progress in 2013, building on existing partnerships and making fruitful connections. The team reached out to new audiences of older people with Certas Energy, Foundations home improvement agency, Hanover Housing Association, Blind Veterans UK and the National Federation of Occupational Pensioners raising awareness of our advice service and distributing Wise Guides.

Meanwhile, we continued to work with the My Home Life Essex Community Association, answering their advice calls, and

worked closely with the DWP through a direct referral system for older people needing help claiming their welfare benefits.

### **In 2014 we aim to:**

- increase the number of callers to our advice service for social care advice and Wise Guides
- invest significantly in our Wise Guides, adding three more booklets to the series by 2017 and increasing distribution to 200,000
- increase the usage of our advice, public information and befriending services through more investment in PR and media
- expand our networks and develop business opportunities to increase the number of older people we support through our advice, casework and befriending services.

## **2. Befriending and support**

**Provide befriending and support services to the individual, which are personal and practical, and delivered to a consistently high standard and which have a demonstrable outcome.**

### **Face-to-face befriending**

As part of a drive to expand our volunteer face-to-face befriending service, we recruited an additional 408 older people to the service in 2013. These have been recruited across the UK and Ireland and referrals for this important service continue to come in.

We also managed to meet the needs of 80% of our befriending

members in terms of number of visits they wish to receive. This is a clear commitment by the charity to respond to the needs of the individual and put older people and their requirements at the centre of what we do.

We maintained our drive to recruit more committed volunteer visitors and exceeded our previous record set in 2012 for the most volunteers recruited in a single year since the charity began, appointing 426 compared to 380 in 2012. These volunteers are delivering more visits per year than ever before, at 21,000 visits. Although this was slightly short of our original target, we are still on track to reach 25,000 visits by the end of 2014.

Volunteer training took place across the UK and sessions were well attended and well received. Of all attendees, 95% rated the training as 'excellent', with the remaining 5% rating it as 'good'. A conference held in Warwick in October was attended by 32 of our organising volunteers, the highest number in attendance ever. The training we offer ensures we give our volunteers the right skills and knowledge to support older people.

### **TalkTime phone clubs (previously Live Wires)**

Plans were put in place to implement a major expansion of our telephone-based discussion groups as part of our commitment to tackle the growing issue of loneliness and isolation.



The service was introduced in 2009 to give older people the chance to enjoy a stimulating discussion from the comfort of their own home and has received consistently positive feedback from those who use it.

Despite the positive feedback we receive about this service from its users, recruiting new participants has been slow and market research has since shown us that older people who know little about the charity struggle to understand how it works and found the name Live Wires confusing. By the end of the year, 61 new older people had joined, bringing the total number of participants to 209 - a drop from 248 in 2012, due mainly to participant deaths. We are now investing to recruit more participants through our strategic partnerships and make the service more accessible to a wider audience, and we have renamed it TalkTime phone clubs.

### **Telephone Buddies**

Piloted in 2012, our Telephone Buddies service gives particularly

vulnerable older people someone to have a regular chat to over the phone. In 2013, we recruited 83 older people to this service, compared to 25 in 2012, referring 31 of them to our partners Age UK. We are continuing work to expand this service further through our partnerships.

### **Ongoing support**

We supported 6,027 Independent Age 'members' over the year with ongoing caseworker support and a personalised package of care which includes advocacy, befriending and, in some cases, financial support. We developed the role of our casework team so they are able to advise on benefits claims, housing and social care, and continued a long-term review of our members' finances to make sure they are receiving all the benefits they are entitled to.

We also provided 1,456 grants for one-off emergencies, 2,569 emergency packs (bedding packs, hospital packs and warm packs) and helped make Christmas a little bit more special for 695 of

our members with a Christmas hamper.

### **In 2014 we aim to:**

- deliver training to 600 new and existing Independent Age volunteers through a schedule of training days across the year throughout the UK and Ireland
- ensure that at least three out of every four older people being befriended receive exactly the type and frequency of visits they need
- increase the number of older people who benefit from our befriending services by nearly 1,000
- carry out over 24,000 visits to lonely older people through our network of volunteer visitors and continue to recruit dedicated, committed and reliable volunteers to deliver these visits
- provide more casework support to older people
- significantly expand our TalkTime phone clubs service by tripling the number of older people using it to 700 by 2016
- increase the number of users to our Telephone Buddies service.

### **3. Campaigning**

Raise awareness and develop the charity's influencing, policy and advocacy activities to achieve a significant increase in awareness and influence on policymakers and the public.

### **The Secret Subsidy campaign**

Our flagship campaign of 2013, The Secret Subsidy, shines a spotlight on the hidden scandal of 'top-up' payments in residential care, which are often unlawfully charged to the families of poorer residents when local councils should pay. Our initial report, Care Home Top-Up Fees: the Secret Subsidy, produced in July, shows how some councils shun responsibility for these fees, while Short Changed, produced in November, reveals how the impact of the forthcoming Care Bill could make the issue even more widespread. Both reports received national media coverage, while our follow-up campaign has gone on to influence parliamentary debate about top-ups in residential care.

### **Care Bill**

We continue to play a lead role influencing the forthcoming Care Bill and, in 2013, worked closely with Lord Lipsey in the House of Lords' to scrutinise the legislation and ensure it was delivering for older and disabled people with care needs. We briefed parliamentarians on key issues affecting older people, including top-ups in residential care and the need for strengthened provisions so that local authorities signpost adults to independent sources of information and advice. We fostered strong links with the Department of Health's Care Bill team and have been invited to key meetings influencing regulations



We  
stepped up  
our campaigning  
activities

and statutory guidance that will accompany the Care Bill once it becomes law in 2014.

### **Researching gaps in social care**

We were commissioned by the Think Local, Act Personal partnership - bringing together the Local Government Association, the Association of Directors of Adult Social Services and the Social Care Institute for Excellence, among others - to undertake new research on the gaps in information and advice made available to people with care needs. Our report, *Advice and Information Needs in Adult Social Care*, mapped out the many complex steps adults with care needs typically take before they access high-quality information and advice about care in their area and positioned Independent Age as an influential stakeholder in the increasingly topical debate about information and advice provision of services.

### **Attendance Allowance research**

We published a report with the think-tank, Strategic Society Centre, which revealed a woeful lack of advice and information for recipients of Attendance Allowance, a non means-tested benefit for older people with care needs. The Minister of State for Care and Support, Norman Lamb MP, is now committed to raising the issues in it with a view to making sure that local authorities have a better understanding

of who receives Attendance Allowance in their area, and how they can target information and advice accordingly.

### **Early Day Motion celebrating Independent Age's work**

On the occasion of our 150th anniversary, Sir Bob Russell MP tabled a parliamentary motion to celebrate the work of Independent Age. His motion received support from more than 30 MPs from across the political divide after hundreds of supporters wrote to their MPs asking them to support the motion, considerably raising awareness of our work. This further strengthens our chances of engaging parliamentarians and mobilising them to support our policy and campaigns work in 2014.

### **All-Party Parliamentary Group**

Independent Age provides the Secretariat for the All-Party Parliamentary Group (APPG) on Housing and Care for Older People. Chaired by Lord Best, it aims to highlight the importance of the role of housing alongside social care and health. We ran three APPG meetings in 2013. In one Paul Burstow MP led a discussion on the Care Bill and, at the end of the year, Esther Rantzen led a discussion on her new national helpline for lonely older people, The Silver Line.

### **Political Party Conferences**

We contributed to a number of health and social care debates

during the Party Conferences in September, asking searching questions of politicians on issues such as unfair top-up payments in residential care and suitable housing for older people. Our presence at the conferences helped to further raise our profile among politicians and many MPs requested copies of our Wise Guides to hand on to their constituents.

### **Raising our profile in the media**

Once again, we increased our media coverage this year, securing 974 press mentions in total, 70 of which were in national papers. Almost 500 pieces were related to policy and 150 were about advice. We continued growing our social media activities too, posting regular blogs providing commentary on key policy developments and other news affecting older people.

We held our second annual Older People in the Media Awards, sponsored by Barchester Healthcare, at the Royal Society in London on 19 November. The event was hosted by Gavin & Stacey star, Larry Lamb, and was well received. Guests included many high profile media professionals and the event was covered in a range of media outlets including the Mail Online's showbiz pages, the Guardian, the Observer and The One Show on BBC1.

### **In 2014 we aim to:**

- be seen as a 'go to' charity on older people issues

- ensure the government's reforms to adult social care mean older people are more likely to get the information and advice they need, both to access care and support and also, where appropriate, to raise concerns and make complaints
- ensure the government's plans to reform the funding of adult social care are introduced in a way that clearly seek to protect older people and their relatives from paying top-up fees they cannot afford or sustain
- produce high-quality research which generates debate about public policy interventions to prevent and tackle loneliness and social isolation among older men
- become a respected stakeholder involved in the public policy debate on housing for older people
- position Independent Age as a forward-looking organisation aiming to shape policy for older people and make the UK a better country to grow old in
- increase the overall numbers of campaign volunteers who identify themselves as Independent Age supporters and, through their involvement, secure at least one major change in policy or practice in 2014.

### **Alliances and partnerships**

#### **Care and Support Alliance**

Independent Age is one of over 70 members of the Care and Support



Alliance, the coalition that brings together national voluntary sector organisations with the aim of bringing about radical reforms to England's social care system. In 2013, we played a lead role in developing the alliance's policy position in the area of information and advice, used as a basis for meetings with key Department of Health officials. This alliance now looks to us to advocate changes in legislation so that local authorities deliver a comprehensive information and advice service from 2015.

We coordinate the Care and Support Alliance's Working Group on Information and Advice, and work in tandem with Sense, Mencap, British Red Cross and a number of other charities with a keen interest in bringing about improvements to the information and advice that local councils commission and deliver. We are one of four Care and Support Alliance representatives on the Think Local, Act Personal Advisory

Group, which the Department of Health is working with to shape the statutory guidance on information and advice that will accompany the Care Act 2014.

#### **Campaign to End Loneliness**

We continue to support the ground-breaking work of the Campaign to End Loneliness (CtEL), which raises awareness of loneliness and its impact on the older population. As a founding member and fundholder of the CtEL, Independent Age has welcomed the campaign's continuing achievements.

In 2013, the CtEL continued to build on the success of its Loneliness Harms Health campaign, aiming to get Health and Wellbeing Boards across England to adopt a target to reduce loneliness through local campaigns and, in November, was able to report that over 50% of Health and Wellbeing Boards had acknowledged loneliness in their strategies. The CtEL also held a major conference, Connect + Act, which brought together

practitioners, campaigners and policymakers, and featured a session with Care Minister Norman Lamb MP, chaired by Janet Morrison.

The Campaign to End Loneliness gained a glowing independent assessment from the Charities Evaluation Services (CES) in 2013, which highlighted its success in bringing together those working in the field of loneliness. The CES praised the "unexpected level of success in [the Campaign's] media work", concluding that "there is evidence of a change in the nature of the debate around loneliness".

## Our supporting objectives

### A. Develop as an organisation, successfully integrating all components of the organisation into one 'new Independent Age'.

- We supported the learning and development initiatives to ensure that Independent Age has a skilled and experienced workforce to meet the challenges of new and expanded services.
- We continued to build and strengthen leadership and management capacity and develop a high performance culture.
- We supported operational managers in implementing changes to programmes/new ways of working which support the achievement of business goals.

#### In 2014 we aim to:

- implement a new salary and grading system, embed performance management processes within the organisation and develop clear linkages between performance and reward in order to motivate staff and create a high performance culture
- ensure managers have the skills and knowledge to manage equal opportunities within their own departments
- develop and implement a corporate learning and development programme which



Almost  
6,500 people  
contacted  
our advice  
service

meets organisational, team and individual needs

- carry out a staff engagement survey
- work within our HR business partner model to support operational managers in implementing changes to programmes/new ways of working
- manage staffing issues around the move to new head office premises to support the values and culture of 'one Independent Age'
- support the development of a new Senior Management Team.

### **B. Develop, diversify and sustain our income.**

- To celebrate our 150 year anniversary, many of our supporters and volunteers have rallied round, responding generously to our appeals. We ran an extremely successful Challenge 150 events programme throughout the year where 150 Trustees, staff and supporters took on all kinds of sponsored activities for our special anniversary fundraising campaign.
- We raised £321,000 in 2013 (2012: £263,000) from individual donations in response to our appeals. We worked on making appeals to individual supporters more frequent by introducing a monthly e-newsletter and modernising our online giving platform.
- We are also grateful to the 2,800 new direct debit supporters from London, Southampton, Leeds, Liverpool, Belfast and Edinburgh who joined us between September and December 2013 as a result of our increased investment in donor acquisition. We are encouraged that, thanks to these campaigns, our monthly direct debit income more than doubled from £4,338 to £10,187 in just four months, despite the difficult economic climate.
- Our direct mailing last October was successful in recruiting new donors as well as generating new requests for our Wise Guides, thereby helping raise the profile of our advice services.
- Our legacy income, which represents, on average, between half and three-quarters of our voluntary income, decreased from the previous year to £1,521,000 (2012: £881,000), but was still higher than forecasted. To preserve legacy income for future years we launched a successful legacy campaign in March 2013 to help identify legacy intenders among our existing supporters. In July 2013, we also became a member of the Remember a Charity campaign.
- Overall trust income was £604,017 as we maintained relations with key trust supporters of Counsel and Care and the Universal Beneficent Society (UBS) (see page 51) who continued to support the

work now done at Independent Age. Thank you to all our trust supporters, especially to the Big Lottery Fund, The Blgrave Trust, City Bridge Trust and John Ellerman Foundation for their generous funding during the year. We are also extremely grateful to Calouste Gulbenkian Foundation for their loyal support as the founder funder of Campaign to End Loneliness.



### In 2014 we aim to:

- develop our trust income, which is essential to continue expanding our advice and befriending services, and providing vital gifts such as warm packs and Christmas hampers. As a founding member of Campaign to End Loneliness, we will also continue providing fundraising and media support
- build on the successes of last year's challenge events and events programme. With the valuable support of our dedicated fundraising volunteers, we will also continue hosting Big Tea and social fundraising events
- maintain our well-established income streams of appeals, legacies and trusts, and look at additional cost-effective ways of implementing our fundraising strategy. The marketing of our Wise Guide series, in particular, is now fully integrated in our donor

acquisition campaigns, which has led to an increased number of Wise Guide requests from new supporters in 2013

- continue to build our voluntary unrestricted income in line with our fundraising strategy launched in June 2013
- broaden our funding base and increase unrestricted fundraising as priorities in 2014 in order to spread the risk.

### C. Review and develop all supporting infrastructure.

#### Overview

- Since last year there has been a change in staffing ably filled by a number of interim appointees. This has enabled us to reflect on the remit and structure of the Finance and Corporate Services team. A Director of Resources has been appointed to head up the team which covers human resources, company secretarial and governance, and business evaluation and development.
- Significant work progressed on the new investment strategy. While it was hoped this would be completed in 2013, changes to our Royal Charter and work to restate our funds and secure agreement from the Charity Commission, meant that it took longer than initially envisaged due to various legal and regulatory issues. This now gives us a firm foundation for



making the planned changes and a transition plan has been developed.

#### Finance

- Trustees were presented with a revised 10-year financial projection, underpinning and supporting the decision to invest in new step-change activities.
- We implemented an upgrade to the finance systems and a new chart of accounts to provide a supported windows-based solution with our suppliers and enabling future investment in an automated invoicing project.

#### ICT

- We began the development of a Customer Relationship Management (CRM) system to deliver enhanced management information and data resources. This is a major implementation for us, influencing all functions and linking to all current and new systems. With this in mind, substantial project management and governance steps have been introduced to secure successful

delivery over a period running into 2015.

- We began a project to store all our manual paper files in digital form by implementing a new electronic document management system (EDMS) in readiness to move into new offices mid 2014 (see over the page). The electronic storage of all the casework files has now been completed and staff are utilising new processes and procedures to access and store documents within the department. Work within the other departments is underway and due to finish in early 2014.
- Audits of our Area Managers' IT installations commenced in the second half of the year to allow the team to rectify any issues in addition to completing workstation assessments, installing new back-up and remote management software and generally providing a health check on current equipment and its usage. These will be completed early in 2014.

- We began the process to move our core IT infrastructure to a modern 'virtual' environment. This will provide greater flexibility, resilience and disaster recovery. To effect this change, the core hardware and software was updated and provides the platform to move to a full thin-client environment in our new offices in 2014.

### Property Management

- Work to develop new offices at 18 Avonmore Road began in late 2013 as formal planning permission was delayed to provide specialist surveys and remedial work to the site for contamination. With all site issues remedied and the construction management plan agreed, planning consent was received late in the year and redevelopment is now under way with a revised deadline for occupation in 2014 and within the period agreed with the purchasers of the current head office and Leigh Court flats.
- Following the decision by Trustees to sell properties that are not directly associated with the delivery of our charitable objectives and add the funds generated to our core investment portfolio, the restrictions pertaining to each property and the funds to be released have been reviewed with our lawyers. Site reviews and valuations are currently underway and this, together with the advice from the

lawyers, will inform a property strategy to be agreed with Trustees in the first half of 2014.

### In 2014 we aim to:

- implement the investment strategy and move our investments onto a total return basis with revised governance arrangements to ensure effective oversight and management of funds to meet our current and future needs
- continue design and development of the customer relationship management (CRM) system to deliver enhanced management information and data resources
- implement automated invoice processing, which will allow details of invoice payments to be reflected in the EDMS and future access through the CRM system
- continue the development of the new head office premises and move in during 2014. Thereafter, we aim to complete the sale of the current head office and Leigh Court flats at 6 Avonmore Road
- develop and agree a property disposal strategy for all properties not directly associated with the delivery of our charitable objectives in the first half of the year
- implement an improved and motivational performance and reward system for staff linked to achievement of objectives and competencies



Plans are in place to expand our TalkTime phone clubs

- ensure employees are managing for their future and respond to recent legislative changes by the automatic enrolment of staff into pension schemes commencing in May
- commence preparatory work to ensure we understand and comply with the requirements of the new financial standard/ Charity SORP and the impact on the charity's financial statements. This will include a review of the internal control environment and policies and procedures being updated and/or developed.

**D. Resolve all issues of governance relating to new Independent Age.**

- We completed the review and updating of our Royal Charter, and gained approval for it from the Privy Council and our Charter Members.
- We completed our Trustee guide, which sets out the governance relationship and responsibilities of Trustees.

**In 2014 we aim to:**

- review risk management across the charity.

# Financial summary

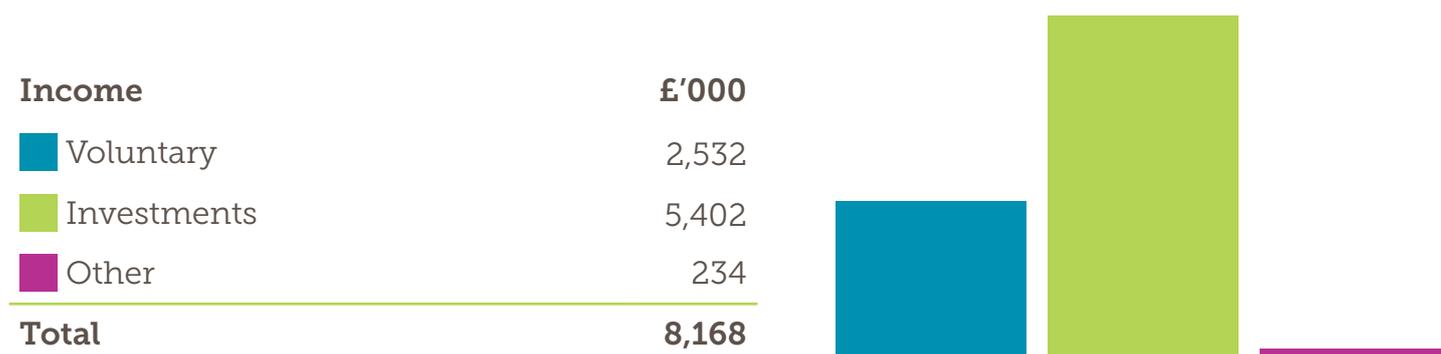
Income and expenditure were both lower than in 2012, reflecting a year of consolidation. However, the charity's finances remain on a strong footing.

Independent Age's funds grew from £130.1m in 2012 to £151.3m, with strong investment performance producing unrealised gains on the portfolio. Under the terms of the Royal Charter, 92% (2012: 91%) of these funds are currently either endowed or restricted and may only be used in accordance with the Royal Charter. The remaining funds comprise the General Fund (2%) and designated and other funds (6%).

60% (2012: 82%) of our total resources expended were on charitable activities in 2013. Our net free reserves represent just under two months' of unrestricted operational expenditure.

## Income

Total income for 2013 was £8.2m, a reduction of £1.2m or 13% in comparison with the previous year (2012: £9.4m). Included in this figure are reductions in investment income of £0.3m and voluntary income of £0.5m (legacies were down £0.2m and trust income £0.3m).



## Expenditure

Total expenditure also decreased in 2013 by £1.9m to £6.0m (2012: £7.9m). Regular payments reduced in line with our strategy, as has the provision set aside to meet future commitments (these two changes total £3.1m). This was partially offset by the increased cost of generating voluntary income (£0.5m) and spending on research, policy and information (£0.4m).

<b>Resources expended</b>	<b>£'000</b>
Charitable activities*	3,567
Cost of generating voluntary income	1,400
Investment management costs	224
Governance	762
<b>Total</b>	<b>5,953</b>



<b>*Charitable activities</b>	<b>£'000</b>
Regular payments	(515)
Grants and other services	1,012
Members' support	2,029
Research, policy and information	908
Charitable properties	133
<b>Total</b>	<b>3,567</b>



## Reserves

At the end of 2013 our total net assets were £151.3m (2012: £130.1m). Of this, £57.2m was held in permanent endowment funds. These funds themselves cannot be spent but are invested to produce income which can be spent on our charitable activities. In 2013, £81.9m (2012: £76.7m) was held in restricted funds to pay for regular payments and other charitable activities.

At the end of the year total unrestricted funds stood at £12.2m (2012: £11.7m), comprising £6.0m (2012: £5.5m) designated for specific purposes, a revaluation reserve of £5.6m which can only be realised if properties are sold, general funds of £3.2m (2012: £4.2m) and a negative pension reserve of £2.7m (2012: £3.5m), representing a deficit on the defined benefit pension scheme for which a recovery plan is in place. In net terms, therefore, the underlying level of free reserves immediately available for general purposes, ie excluding designated funds and the revaluation reserve, is £0.6m (2012: £0.4m), or just under two months of unrestricted operational expenditure.

The endowed and restricted funds referred to above have been established over many years under the provisions of the Royal Charter to provide help to older people. Under the Royal Charter, Independent Age is required to maintain these funds at an appropriate level to meet its obligations to the people it supports.

### Financial review

Total incoming resources for 2013 were £8.2m, a reduction of £1.2m or 13% in comparison with the previous year (2012: £9.4m). The main contributors were: a reduction in investment income of £0.3m; a reduction in the phasing of the remaining gain on the sale of the care homes being lower year on year of £0.3m; and, voluntary income of £0.5m of which reduced legacies and trust income were £0.3m each. Investment income, whilst looked at in isolation is lower year on year, must be considered alongside the overall portfolio return, which at over 18% is in excess of all the APCIMS indices. Legacies are difficult to determine with any certainty and in 2014 further marketing activity will be undertaken in this area. Trust income was impacted by the economic climate.

Total expenditure also decreased by £1.9m, to £6.0m (2012: £7.9m) mainly driven by reduced regular payments and the reassessment and movement in the regular payments provision both totalling £3.1m. This follows the continuing trend from previous years, the review of members leading to a number of suspensions in the year and the assessment of the provision required for existing liabilities under this scheme using actuarial data. Other main changes include: increased costs

of generating voluntary income of £0.5m being mainly due to investment in individual giving and donor acquisition campaign; increased costs in research, policy and information of £0.4m for printing additional and new editions of the Wise Guides and operational costs of the Document Management and Customer Relationship Management (CRM) systems; increased governance costs of £0.2m for restructuring and legal work on the Royal Charter and funds alignment; reduced costs for property maintenance of £0.3m; and costs of £0.3m relating to current and prior years for marketing and legal costs for selling Leigh Court, which were expensed.

Overall, net incoming resources on charitable, fundraising and governance activities before transfers increased by £0.7m to £2.2m (2012: £1.5m).

Realised gains on investments totalled £0.9m (2012 loss: £1.1m) while unrealised gains by the year end amounted to £17.6m (2012: £8.0m). There was an actuarial gain on the defined benefit pension scheme of £0.5m (2012: actuarial gain £0.3m).

At the year end funds had increased by £21.2m to £151.3m (2012: £130.1m).

#### Reserves policy

The endowed and restricted funds have been established over many years to provide financial help to



the older people we support. To comply with the terms of its Royal Charter, Independent Age must maintain an appropriate level of reserves to meet its obligations to the people it supports. As a result, total endowed and restricted funds account for 92% of total charity funds. At the balance sheet date the Board of Trustees considers that unrestricted funds, as supplemented by designated funds set out in Note 17 to the financial statements, are at a reasonable level in terms of current activities and in the context of Independent Age's Strategic Plan 2012-2015. Free reserves stand at £0.6m, being General funds less Pension fund.

**Investment policy**

Independent Age has investments and short-term deposits that are set out in the balance sheet and in the relevant notes to the financial statements. Our statement of investment principles and investment policy are reviewed annually by the Finance and Resources Committee.

The objective of the investment policy is to maintain the real value of the income generated by the investment portfolio without detriment to the overall capital performance. A detailed investment policy sets out requirements and limitations on the investment of equities, bonds, cash deposits and other investment instruments.

The performance of the investment portfolio in 2013 and over the past five years has been consistently ahead of the WM Charity Fund Universe benchmark as indicated in the following table:

<b>Holding and benchmarks</b>	<b>1 year to 31 December 2013</b>	<b>3 years to 31 December 2013</b>	<b>5 years to 31 December 2013</b>
	<b>%</b>	<b>%p.a.</b>	<b>%p.a.</b>
Independent Age Portfolio	18.5%	10.3%	13.8%
WM Charity Fund Universe	16.1%	7.8%	11.1%

During 2013 the major review of investment management arrangements started in 2012 continued. The review highlighted the necessity to undertake substantial work to review and re-align Independent Age's funds whilst also engaging with the Charity Commission.

It is anticipated that a new approach based on total return will be implemented in 2014 subject to a final review by the Charity Commission with our lawyers.

### **Regular payments policy**

The regular payment is one of the services provided to members of Independent Age. Independent Age is not commencing any new regular payments going forward; it will only continue to manage the existing regular payment commitments. Those receiving regular payments have their financial situation reviewed on a three yearly basis and their finances assessed against agreed income and capital criteria (based on the Joseph Rowntree Foundation's Minimum Income Standards). If a member loses or gives up their regular payment they remain a member and can receive other services available if they wish to and if they meet the criteria for those services.

### **Grant making policy**

In accordance with the Independent Age mission "to enable older people to lead independent and fulfilling lives"

Independent Age provides one-off grants and loans. The one-off grants are available for unexpected expenditures which could not be budgeted for, and are provided to those with a low income or capital level. When considering grant requests due consideration is given to a person's ability to resource the item themselves in line with public benefit test, their previous requests, and the impact the grant will provide. Caseworkers in reviewing grant requests take an holistic view in considering the full situation and any additional support that can be provided and ensure all reasonable statutory support is provided before grants are considered.

### **Staff and volunteers**

The effort, commitment and skills of our staff and volunteers are at the heart of our organisation. In 2013, Independent Age directly employed a monthly average of 85 staff: 68 (see Note 7) in our head office in Avonmore Road, London, and the remainder in our area network working across the UK and Republic of Ireland. We held regular staff meetings throughout the year to share awareness and understanding of the expanding charity's activities. Relevant information for staff about activities and achievements are shared via our intranet and monthly updates circulated via email.

In the last year, the department of volunteers and national networks recruited an additional 426



We  
promoted our  
services via  
partnerships

volunteers and ended the year with 1,556 volunteers in total. Our volunteers visit and befriend the older people we help, assisting them practically and emotionally.

### **Employee involvement**

Regular meetings with staff are held to provide employees with information on matters that may be of concern to them and to promote a common awareness of the financial and economic factors affecting the performance of the charity. This information is also communicated to staff through an enewsletter.

### **Legal structure**

Independent Age is the operating name of the Royal United Kingdom Beneficent Association (RUKBA). Established in 1863, the charity is incorporated by Royal Charter first issued in 1911 and supplemental charters, most recently issued on 24 June 1998. It was registered as a charity on 11 August 1962. During 2013 the charity has been carrying out a review of the Royal Charter in consultation with Charter Members to streamline and update the charity's constitution in a new Supplemental Charter. This was adopted at an Extraordinary Meeting in December 2013 and is now subject to formal adoption by the Privy Council in Spring 2014. The Royal Charter sets out the objects, powers and bye-laws of the charity.

### **Organisation structure**

Independent Age has a head office in London, which provides the main

support functions to the charity. A new head office is currently under construction at 18 Avonmore Road and due to be completed by the summer of 2014. The current head office and the Leigh Court flats are under a contract of sale to complete soon after the relocation. The head office also accommodates staff of the Florence Nightingale Aid in Sickness Trust (FNAIST), for which Independent Age currently acts as managing trustee. In addition, Independent Age is the sole legal member of Counsel and Care, a charitable company limited by guarantee.

Organisationally, there are three main directorates. The Services Department 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. The newly named Policy and External Relations Department is responsible for delivering policy, research, communications, marketing, fundraising and events support to the charity. The newly named Resources Directorate includes Finance, Information and Communication Technology, Property Management, and from March 2014, Human Resources (from the Chief Executive). All three departments report into the Chief Executive.

### Governance

At the balance sheet date the Board of Trustees comprised 15 members (including the Chairman, Treasurer and two co-optee). With the exception of the Chairman and Treasurer, Trustees are elected by Charter Members (formerly known as Members of the Association) 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. Under the Royal Charter, the association shall consist of not more than 125 Charter Members who include the President and the Vice-Presidents, the Treasurer and the Board of Trustees. New Charter Members are appointed periodically by the Board.

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 a charity.

The Board of Trustees delegated certain functions to a number of Committees. During 2013 these were the:

- Finance and Resources Committee - this encourages and safeguards the highest standards of integrity, financial reporting and internal control. It oversees the organisation's risk management processes. In addition, two sub-

groups report to the Finance and Resources Committee - the Investment Sub-Group and the Pensions Sub-Group

- Nominations Committee
- Remuneration Committee - this committee will come into being in 2014 following formal agreement at the February 2014 Board of Trustees meeting.

The executive 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 and employees. The Senior Management Team presents plans and strategies to the Board of Trustees and options in relation to key strategic developments and reports on performance.

The Board meets at least five times a year and receives regular reports from the Senior Management Team and the Committees. All Trustees receive an induction pack and training upon joining the Board.

### Management

The management of the charity is led by its Chief Executive, Janet Morrison. She, together with three directors who head up the departments described above, comprise the Senior Management Team of the charity.

### Risk management and internal controls

The charity's risk management policy is designed to ensure that



there are clear responsibilities for the assessment and review of risks by Trustees, Committees and the Senior Management Team and that appropriate controls and plans are in place to manage them. Trustees have reviewed and approved the risk assessments carried out in 2013 and are satisfied that reasonable steps are being taken to mitigate exposure to these risks. Further work to refine the risk management of the charity has commenced in 2014.

#### **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' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 24 April 2014 and signed on its behalf by:**



**Dame Diana Brittan**

Chairman of the Board of Trustees

# Independent auditors' report to the Trustees of Independent Age

## 1 Report on the financial statements

### a) Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charity's affairs as at 31 December 2013 and of its incoming resources and application of resources and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 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.

### b) What we have audited

The financial statements, which are prepared by Independent Age, comprise:

- the balance sheet as at 31 December 2013;
- the statement of financial activities for the year then ended;
- the cash flow statement for the year then ended;
- the notes to the financial statements, which include 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.

### c) What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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 charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees 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.

## Independent auditors' report

### 2 Other matters on which we are required to report by exception

#### a) Adequacy of accounting records and information and explanations received

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

- the information given in the trustees report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

### 3 Responsibilities for the financial statements and the audit

#### a) Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, 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 & 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 24) 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

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside, London SE1 2RT

2 May 2014

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

# Administrative information

## 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  
(Cardinal from 22 February 2014)

## President

His Grace The Duke of Abercorn KG  
(to May 2013)

## 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

The Trustees of the charity who were in  
office during the year and up to the date of  
signing the financial statements were:

Dame Diana Brittan DBE (Chairman)

Terry Hitchcock (Treasurer)

Nicholas Broadhead

Sue Collins BSc MSc

Tim Davis (from May 2012)

Marc Dight\* (from October 2013)

Dr Justine Frain

Richard Gutch

Dr Helen Hanbury

Caroline Jacobs

Estelle McCartney

Sarah Reed (to April 2013)

Lyn Romeo (to August 2013)

Dame Helena Shovelton\* (from June 2013)

James Steel

Ian Watson BA MBA CA

Denise Wilkinson

\*Co-opted Trustee

**As at 31 December 2013**

## Management

Janet Morrison, Chief Executive

Simon Bottery, Director of Policy and  
External Relations

Ian Buchan, Director of Care Services (to  
September 2013)

Diane Brown, Interim Director of Care  
Services (from December 2013)

Noel Flannery, Director of Finance and  
Corporate Services (to June 2013)

Rod Mercer, Interim Director of Finance and  
Corporate Services (from July 2013 to April  
2014)

Richard Whitley, Director of Resources (from  
March 2014)

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## Professional Advisers

### Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside, London SE1 2RT

### Insurers

Ecclesiastical Insurance Group

Beaufort House, Brunswick Road, Gloucester  
GL1 1JZ

### Solicitors

Bates Wells & Braithwaite LLP

2-6 Cannon Street, London EC4M 6YH

### Investment Advisers

Cazenove Capital Management

12 Moorgate, London EC2R 6DA



# Group Statement of Financial Activities (including Income and Expenditure Account)

For the year ended 31 December 2013

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Year to 31 December 2013 Total funds £000	Year to 31 December 2012 Total funds restated £000
<b>Incoming resources</b>						
<b>Continuing operations:</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	1,200	1,246	-	2,446	2,994
Activities for generating funds		86	-	-	86	63
Investment income	3	486	4,916	-	5,402	5,694
<i>Incoming resources from charitable activities</i>						
Property rental income		-	44	-	44	33
Other incoming resources		93	-	-	93	266
		1,865	6,206	-	8,071	9,050
<b>Discontinued operations</b>						
Gain on sale of care homes		-	97	-	97	393
<b>Total incoming resources</b>		1,865	6,303	-	8,168	9,443
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Cost of generating voluntary income	4	1,114	-	-	1,114	634
Investment management costs	4	20	204	-	224	174
Costs associated with the sale of Leigh Court	4	-	300	-	300	-
Movement in Leigh Court liability	4	-	(14)	-	(14)	-
		1,134	490	-	1,624	808
<b>Charitable activities</b>						
Regular payments administration costs	4	-	644	-	644	695
Regular payments movement in provision	4,14	-	(1,159)	-	(1,159)	1,904
Grants and other services	4	-	1,012	-	1,012	980
Members' support	4	609	1,420	-	2,029	1,995
Properties		133	-	-	133	383
Research, policy and information	4	908	-	-	908	539
		1,650	1,917	-	3,567	6,496
<b>Governance costs</b>	5	762	-	-	762	596
<b>Total resources expended</b>		3,546	2,407	-	5,953	7,900
<b>Net (outgoing)/ incoming resources before transfers</b>		(1,681)	3,896	-	2,215	1,543
Transfers	17	258	(258)	-	-	-
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		(1,423)	3,638	-	2,215	1,543
<b>Other recognised gains and losses</b>						
Realised gain/(loss) on investments		77	451	328	856	(1,139)
Unrealised gain on investments	10	1,555	9,259	6,768	17,582	8,043
Actuarial gain on defined benefit pension schemes	15	473	-	-	473	259
Unrealised (loss)/gain on investment properties		-	-	-	-	(465)
<b>Net movement in funds</b>		682	13,348	7,096	21,126	8,241
Fund balances brought forward at 1 January		11,519	68,529	50,089	130,137	121,896
<b>Fund balances carried forward at 31 December</b>	17	12,201	81,877	57,185	151,263	130,137
Fund balances brought forward at 1 January as previously stated						
	16	11,740	76,656	41,741	130,137	121,896
Prior year adjustments		(221)	(8,127)	8,348	-	-
Fund balances brought forward at 1 January restated		11,519	68,529	50,089	130,137	121,869

The statement of financial activities includes all gains and losses recognised in the year. Notes 1 to 21 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 2013

	Notes	Group 2013 Total funds £000	Group 2012 Restated total funds £000	Charity 2013 Total funds £000	Charity 2012 Restated total funds £000
<b>Fixed assets</b>					
Tangible assets	9a	1,220	1,109	1,220	1,109
Investment properties	9b	2,890	2,135	2,890	2,135
Investments	10	149,193	130,840	149,193	130,840
Programme related investments	11	543	550	543	550
<b>Total fixed assets</b>		<b>153,846</b>	134,634	<b>153,846</b>	134,634
<b>Current assets</b>					
Assets held for sale	9c	5,975	5,975	5,975	5,975
Debtors: amounts falling due after 1 year	12	-	2,439	-	2,439
Debtors: amounts falling due within 1 year	12	3,170	3,393	3,170	3,393
Short-term deposits		483	449	483	449
Cash at bank and in hand		2,904	2,336	2,615	2,133
<b>Total current assets</b>		<b>12,532</b>	14,592	<b>12,243</b>	14,389
Creditors: amounts falling due within one year	13	(2,448)	(2,522)	(2,729)	(2,738)
<b>Net current assets</b>		<b>10,084</b>	12,070	<b>9,514</b>	11,651
<b>Total assets less current liabilities</b>		<b>163,930</b>	146,704	<b>163,360</b>	146,285
Creditors: amounts falling due after more than one year	14	(10,007)	(13,015)	(10,007)	(13,015)
<b>Net assets excluding pension liability</b>		<b>153,923</b>	133,689	<b>153,353</b>	133,270
Defined benefit pension liability	15	(2,660)	(3,552)	(2,660)	(3,552)
<b>Net assets including pension liability</b>		<b>151,263</b>	130,137	<b>150,693</b>	129,718
<b>The funds of the charity:</b>					
<b>Endowment funds</b>		<b>57,185</b>	50,089	<b>57,185</b>	50,089
<b>Restricted funds</b>		<b>81,877</b>	68,529	<b>81,768</b>	68,110
<b>Unrestricted funds</b>					
Designated funds		6,017	5,477	6,017	5,477
Revaluation reserve		5,597	5,597	5,597	5,597
General funds		3,247	3,997	2,786	3,997
Pensions reserve		(2,660)	(3,552)	(2,660)	(3,552)
<b>Total unrestricted funds</b>		<b>12,201</b>	11,519	<b>11,740</b>	11,519
<b>Total charity funds</b>	17	<b>151,263</b>	130,137	<b>150,693</b>	129,718

The financial statements on pages 31 to 51 were approved by the Board of Trustees on 24 April 2014 and signed on their behalf by:

**Dame Diana Brittan**

Chairman of the Board of Trustees

# Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
<b>Net cash (outflow) from operating activities</b>	A		(1,569)		(3,595)
Investment income			5,402		5,694
<b>Capital expenditure, financial investment and regular payments</b>					
Purchases of investments		(15,744)		(19,419)	
Receipts from disposals of investments		15,344		18,913	
Purchase of investment properties and tangible fixed assets		(1,126)		(534)	
Cash payments - regular payments		(2,190)		(2,548)	
<b>Net cash (outflow) from capital, financial investment and regular payments</b>			(3,716)		(3,588)
<b>Management of liquid resources</b>					
Decrease in investment cash			485	495	
Increase in short-term deposits			(34)	(77)	
<b>Net cash inflow from liquid resources</b>			451		418
<b>Increase/(decrease) in cash</b>	B		568		(1,071)

## Notes to the Consolidated Cash Flow Statement

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

	2013 £000	2012 £000
Net incoming resources	2,215	1,543
Depreciation	71	38
Investment income	(5,402)	(5,694)
Gain on disposal of fixed assets	(97)	-
Costs associated with the sale of Leigh Court	286	-
Decrease in programme related investments	7	10
Decrease/(increase) in debtors	2,662	(355)
Increase/(decrease) in short-term creditors excluding regular payments	281	(802)
(Decrease)/increase in other long-term liabilities	(14)	-
Movement of regular payment provision	(1,159)	1,904
FRS 17 difference between pension contributions and current service cost	(419)	(239)
<b>Net cash outflow from operating activities</b>	<b>(1,569)</b>	<b>(3,595)</b>

### B Analysis of net funds

	1 January 2013 £000	Cash flows £000	31 December 2013 £000
Cash at bank (including overnight deposits) and in hand	2,336	568	2,904

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 2013

## 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: the Statement of Recommended Practice, Charities 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 Statement of Financial Activities (SOFA) and Group Balance Sheet consolidate the financial statements of Independent Age and Counsel and Care. 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 2005 SORP. The total incoming resources of Independent Age for the year were £8,168,000 (2012: £9,443,000) and its net incoming resources before non-operating adjustments were £2,215,000 (2012: £1,543,000).

The charity is a registered charity 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.

### b) Fund accounting

Independent Age's financial statements are split between various funds which may be summarised in relation to income and capital as shown below:

#### Endowment funds

These are funds normally arising as a result of a will where the income but not the capital sum can usually be spent. These funds are used mostly to fund regular payments and the income generated is included in restricted funds.

#### 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 restricted 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 included under restricted funds.

#### Designated funds

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

#### Unrestricted funds

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

#### 2012 restatement of funds

The closing balances for 2012 and opening balances for 2013 were restated in line with the future management of our funds and these are covered in Note 16. These amendments have not had an impact on the prior year total net assets brought forward.

### c) Income recognition

Legacies, investment income and residential fee income are included in the Statement of Financial Activities in the year in which they are receivable. Donations are included in the Statement of Financial Activities in the year in which they are received.

### d) Legacies

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.

In accordance with the Royal Charter, at least 50% of all legacies not specifically bequeathed are allocated to restricted funds, initially to the General Purposes Fund account, and then across the funds to meet their requirements at the end of each year. During the year the balance of the General Purposes Fund was transferred to unrestricted funds in line with the donors' intention.

### e) Expenditure

Expenditure is recognised on an accruals basis inclusive of any VAT which cannot be recovered.

Costs of generating funds are direct costs of fundraising and an appropriate proportion of management and office overheads.

Charitable expenditure comprises expenditure directly relating to the objects of Independent Age and a proportion of expenses relating to the support of such activities.

Governance costs comprise costs attributable to compliance with constitutional and statutory requirements. This includes audit and other advisory costs, the costs of Trustees' meetings and certain legal expenses.

The allocation of office costs is based on the percentage of staff time incurred for each area of cost and on each of Independent Age's activities. This is reviewed annually.

### f) Tangible fixed assets and depreciation

Land and buildings are shown in the balance sheet at cost or, if lower, net realisable value. The total net value of Independent Age's property is in excess of cost.

Buildings are maintained at a high standard and their residual values are high relative to cost. In view of this, depreciation is not material and has not been provided.

Computer equipment depreciation has changed from the annual rate of 25% to three years. Other items of furniture and equipment are depreciated at the rate of 10% per annum (reducing balance method).

We will capitalise project software where there is a system that has some degree of customisation to meet the needs of the organisation and not a generic off the shelf purchase such as MS Office.

Realised gains/losses on fixed assets are taken to the fund on which the asset is held and form part of the funds available for purchasing tangible fixed assets or investments.

Assets under construction are in line with the capitalisation policy. No depreciation is charged until the asset is ready for use.

The de minimis level for capitalisation of tangible fixed assets is £5,000. All non-property tangible fixed assets are included at cost.

## Notes to the Financial Statements

### For the year ended 31 December 2013

#### g) Fixed asset 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 SOFA in the year in which they occur.

Investment properties are held at market value and are not depreciated. The redevelopment of 18 Avonmore Road will also subsume Flat 16 Avonmore Road, previously classified as investment property and is now classified under 'Assets under construction'.

Investment short-term loans are held at cost.

Income from investments is included in the financial statements on an accruals basis. Investment income received is apportioned to funds according to the amount of each investment held by the fund.

#### h) Programme-related investments

Loans are awarded to beneficiaries who are leaseholders or freeholders of their property, mainly for household repairs and maintenance. A senior staff member with delegated authority makes the final decision on the loan application.

A provision is made against the aggregate value of loans issued, based on past experience and on management's current expectations. Loans are only written off when there is no realistic prospect of recovering any further repayments. The loans are not subject to interest charges. Loans must be repaid when the beneficiary has the capital available.

#### i) Assets held for sale

Assets held for sale are shown in the balance sheet at the lower of the carrying amount or the fair value less costs to sell as assessed at the date the asset is held for sale. Depreciation is not charged on assets held for sale.

#### j) Future commitments

The estimated net present value of the regular payments to Independent Age's beneficiaries is treated as a long-term liability in compliance with SORP 2005. 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 the appropriate discounting rate to show the overall commitment figure. Any variation to the provision is charged to the Statement of Financial Activities for the year.

#### k) Pension contributions

Certain employees and former employees of the charity participate in a defined benefit scheme. The pension costs are assessed in accordance with actuarial advice and based on the most recent valuation of the scheme. These costs are accounted for in accordance with FRS 17. The current service cost of the defined benefit scheme is charged to employee costs over the anticipated period of employment. Net pension finance income or costs is included immediately in other incoming resources or employee costs as appropriate. Actuarial gains and losses are recognised immediately on the SOFA. A provision for the scheme deficit is shown on the balance sheet.

#### l) Incoming transfers from UBS and Counsel and Care

Independent Age is the Managing Trustee of Counsel and Care and all income and expenditure is consolidated into the financial statements of Independent Age. Counsel and Care continues

to produce financial statements as a separate entity; Independent Age disaggregates the reserves of Counsel and Care in the 'Charity' statements, due to Counsel and Care being a charitable subsidiary of Independent Age.

### m) Gain on sale of the care homes

On the sale of the care homes during 2011, sale proceeds exceeded historic book value by £2,405,000. This gain from discontinued operations will be applied to Independent Age's wider charitable objectives subject to any necessary approval from the Charity Commission as to the disposition of these funds. A proportion of the consideration was deferred and as a result the original debtor was discounted. As the debtor falls due the discounting reduces and results in a further gain on the sale of care homes being reflected in these financial statements. Final payment of £2.5m will be received in 2014.

## 2 Voluntary income

	Unrestricted funds £000	Restricted funds £000	2013 £000	2012 £000
Donations	321	-	321	263
Trust income	119	485	604	881
Legacies	760	761	1,521	1,850
	1,200	1,246	2,446	2,994

Trust income includes £162,765 in restricted funds relating to the Campaign to End Loneliness.

## 3 Investment income

	Unrestricted funds £000	Restricted funds £000	2013 £000	2012 £000
Fixed interest	78	793	871	829
Dividend income	397	4,024	4,421	4,617
Investment property rental income	10	92	102	239
Bank deposit interest	1	7	8	9
	486	4,916	5,402	5,694

# Notes to the Financial Statements

## For the year ended 31 December 2013

### 4 Resources expended allocation

	Direct costs	Staff costs	Non-staff support costs	2013	2012
	£000	£000	£000	£000	£000
<b>Cost of generating funds</b>					
Cost of fundraising: events and merchandise	28	85	6	119	111
Cost of generating voluntary income	499	395	101	995	523
Investment administration	146	68	10	224	174
Costs associated with the sale of Leigh Court	300	-	-	300	-
Movement in Leigh Court liability	(14)	-	-	(14)	-
	959	548	117	1,624	808
<b>Charitable activities</b>					
Regular payments	59	514	71	644	695
Regular payment movement in provision	(1,159)	-	-	(1,159)	1,904
Grants and other services	597	353	62	1,012	980
Members' support	332	1,500	197	2,029	1,995
Properties	79	39	15	133	383
Research, policy and information	344	467	97	908	539
<b>Total charitable activities</b>	252	2,873	442	3,567	6,496
<b>Total</b>	1,211	3,421	559	5,191	7,304

Members' support includes £205,924 (2012: £195,000) relating to the Campaign to End Loneliness. On behalf of the partnership of all five organisations on the "management group" of the Campaign to End Loneliness, Independent Age has taken on responsibility to employ the staff and manage the budget of the Campaign to End Loneliness, which will be 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.

### Non-staff support costs and note on allocation

	Cost of generating funds	Regular allowances	Grants	Beneficiary support	Policy and communications	Property costs	Governance	Total 2013	Total 2012
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Chief Executive	0	-	-	1	1	-	162	164	227
Finance	20	17	6	9	2	4	6	64	104
Information and communications technology	31	20	20	112	32	7	7	229	219
Human resources	5	5	4	16	2	4	-	36	59
Head office facilities management	58	29	32	59	58	-	56	292	279
Fundraising, policy and communications	3	-	-	-	2	-	-	5	4
	117	71	62	197	97	15	231	790	892

The allocation of non-staff support costs is based on the percentage of staff time incurred for each area of cost and on each of Independent Age's activities. This is reviewed annually.

## 5 Governance costs

	2013 £000	2012 £000
Trustee expenses (see Note 20)	1	1
Trustees recruitment	-	2
External audit fees	53	34
Allocation of support costs (see Note 4)	231	234
Staff costs	465	316
Annual General Meeting expenses	12	5
Internal audit	-	4
<b>Total Governance costs</b>	<b>762</b>	<b>596</b>

## 6 Staff costs

	2013 £000	2012 £000
Salaries	3,097	2,783
Temporary staff costs	184	97
Employer National Insurance	305	281
Employer pension contributions	300	493
	<b>3,886</b>	<b>3,654</b>

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

	2013	2012 restated
Beneficiary support services	53	54
Fundraising, policy and communications	16	13
Corporate services	16	14
	<b>85</b>	<b>81</b>

At 31 December 2013, staff loans totalled £15,530 (2012: £17,929). No interest is charged on these loans, which mainly relate to advances for season tickets. The 2012 average staff numbers under Corporate services have been restated from 25 to 14, thereby reducing the total number of staff from 92 to 81.

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

	2013	2012
£60,001-70,000	1	-
£70,001-80,000	1	-
£80,001-90,000	-	3
£90,001-100,000	1	1
£100,001-110,000	1	-
£130,001-140,000	1	-
	<b>5</b>	<b>4</b>

Pension contributions made by Independent Age in respect of higher paid employees amounted to: £68,694 (2012: £26,514).

# Notes to the Financial Statements

## For the year ended 31 December 2013

### 9a Tangible fixed assets

	Assets under construction	Freehold land and buildings	Furniture, fixtures and equipment	Computers	Total Group and Charity
	£000	£000	£000	£000	£000
<b>Cost</b>					
<b>As at 1 January 2013</b>	-	990	31	149	<b>1,170</b>
Assets under construction	316	-	-	-	<b>316</b>
Additions	-	-	25	31	<b>56</b>
Transfer costs associated to sale of Leigh Court	-	(190)	-	-	<b>(190)</b>
<b>Total cost as at 31 December 2013</b>	<b>316</b>	<b>800</b>	<b>56</b>	<b>180</b>	<b>1,352</b>
<b>Accumulated depreciation</b>					
<b>As at 1 January 2012</b>	-	-	(12)	(49)	<b>(61)</b>
Depreciation	-	-	(4)	(67)	<b>(71)</b>
Disposal	-	-	-	-	-
<b>Accumulated depreciation as at 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>(16)</b>	<b>(116)</b>	<b>(132)</b>
Net book values					
<b>As at 31 December 2013</b>	<b>316</b>	<b>800</b>	<b>40</b>	<b>64</b>	<b>1,220</b>
As at 31 December 2012	-	990	19	100	<b>1,109</b>

### 9b Investment properties

	Group and Charity	
	2013	2012
	£000	£000
As at 1 January	<b>2,135</b>	7,885
Additions	<b>755</b>	-
Transfer to assets held for sale	-	(5,285)
Impairment	-	(465)
<b>As at 31 December</b>	<b>2,890</b>	<b>2,135</b>

### 9c Assets held for sale

	Group and Charity	
	2013	2012
	£000	£000
As at 1 January	<b>5,975</b>	-
Transfer from tangible fixed assets	-	690
Transfer from investment properties	-	5,285
<b>As at 31 December</b>	<b>5,975</b>	<b>5,975</b>

## 10 Investments Charity and Group

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2013 £000	2012 £000
Quoted investments	5,071	86,314	57,185	148,570	129,732
Cash	18	355	-	373	858
Investments held with fund manager	5,089	86,669	57,185	148,943	130,590
Investment short-term loan	250	-	-	250	250
	5,339	86,669	57,185	149,193	130,840

### Reconciliation of investments held with fund manager

Market value at 1 January	130,590	123,675
Additions	15,745	19,419
Disposals	(14,489)	(20,052)
Net unrealised (losses)/gains	17,582	8,043
Movement in cash	(485)	(495)
<b>Market value at the year end</b>	<b>148,943</b>	<b>130,590</b>

Included in disposals are £855,544 (2012: (£1,138,707)) of realised gains

<b>Historical cost as at the year end</b>	<b>108,058</b>	<b>106,447</b>
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### Investments held with fund manager - breakdown by type

UK equities	117,713	95,142
Overseas equities	9,136	7,303
UK bonds	18,351	21,607
Overseas bonds	2,257	2,274
Property	-	2,506
Structured products and private equity	1,113	900
Cash	373	858
<b>Market value at the year end</b>	<b>148,943</b>	<b>130,590</b>

### At the year end the following holdings represented over 5% of the total portfolio

	2013 £000	%	2012 £000	%
Royal Dutch Shell	9,120	6%	8,700	7%
BT Group	7,588	5%	-	-
Vodafone Group	9,480	6%	-	-
	26,188	17%	8,700	7%

## 11 Programme-related investments

	Group and Charity	
	2013 £000	2012 £000
Loan balance as at 1 January	649	670
Loans awarded during the year	12	7
Loans repaid	(13)	(28)
Total loans outstanding	648	649
Loans written off	(76)	-
Provision	(29)	(99)
Net loans as at 31 December 2012	543	550

# Notes to the Financial Statements

## For the year ended 31 December 2013

### 12 Debtors

	Group		Charity	
	2013 £000	2012 £000	2013 £000	2012 £000
Debtors: amounts falling due within 1 year	2,568	2,845	2,568	2,845
Amount owed by related charities	10	9	10	9
Other debtors	246	46	246	46
Prepayments	75	116	75	116
Accrued income	271	377	271	377
	<b>3,170</b>	<b>3,393</b>	<b>3,170</b>	<b>3,393</b>
Debtors: amounts falling due after 1 year	-	2,439	-	2,439
	<b>3,170</b>	<b>5,832</b>	<b>3,170</b>	<b>5,832</b>

Amounts falling due within 1 year include the receipt of the final tranche of income arising from the sale of the care homes.

### 13 Creditors: amounts falling due within one year

	Group		Charity	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade creditors	253	149	253	149
Regular payment liability (Note 14)	1,965	2,320	1,965	2,320
Amounts owed to purchaser of the care homes	(1)	-	(1)	-
Amounts owed to related charity	-	-	281	216
Other creditors	84	6	84	6
Accruals and deferred income	147	47	147	47
	<b>2,448</b>	<b>2,522</b>	<b>2,729</b>	<b>2,738</b>

### 14 Reconciliation of Regular Payments Allowances and Leigh Court provision

	Group and Charity	
	2013 £000	2012 £000
Commitments at 1 January	15,335	15,979
Movement in regular payments provision (Note 4)	(1,159)	1,878
Movement in Leigh Court provision (Note 4)	(14)	26
Amount paid in the year	(2,190)	(2,548)
<b>Commitments payable as at 31 December 2013</b>	<b>11,972</b>	<b>15,335</b>

## 15 Pensions scheme - FRS 17 - Retirement Benefits - Charity and Group

Independent Age operates a funded defined-benefit scheme administered by the Pensions Trust. Members of the Open Section are contracted out of the State Earnings Related Pension Scheme (SERPS), while members of the Closed Section are contracted in.

The current service costs of the scheme are charged to the relevant expense headings. The contributions are determined by a qualified actuary, who is not an employee or officer of the charity. The last formal valuation of the scheme was performed as at 30 September 2010, with a further valuation due.

Following the 2011 valuation and as at 1 April 2012 the contribution rates decreased to 21.8% of pensionable earning in respect of non-contributory members and 15.8% of pensionable salaries in respect of contributory members. Contributory members have paid contributions at the rate of 6% of pensionable salary over the accounting period. The pension payment for the year was £602,000, which includes £300,000 (2012: £493,000) as per Note 6 and additional contributions to reduce the pension deficit. With effect from 1 January 2008 the scheme has been closed to new members.

Independent Age also operates a defined contribution scheme administered by the Pensions Trust. Members of the scheme contribute 6% while the employer contributes 10%.

	2013	2012	2011
<b>The major FRS 17 assumptions used by the actuary were</b>			
Rate of increase in pensionable salaries	2.00	2.00	4.40
Rate of increase in pensions payment	2.60	2.20	2.40
Rate of revaluations of deferred pensions in excess of the guaranteed minimum pension (GMP)	3.50	3.00	2.90
Discount rate	4.60	4.40	4.70
Inflation assumption (RPI)	3.50	3.00	2.90

**The mortality assumptions adopted at 31 December imply the following life expectancies at age 60:**

		2013	2012	2011
Pensioner	Male	87.10	88.20	88.00
	Female	89.40	90.20	89.80
Non-Pensioner	Male	88.50	90.40	90.30
	Female	90.90	92.10	91.70

**Long-term rate of expected return at 31 December 2013**

	2013	Value at 31 December 2013	2012	Value at 31 December 2012
	%	£000	%	£000
Equities	7.00	9,719	7.00	8,629
Bonds	3.50	3,021	4.20	2,829
Properties	6.00	1,071	6.00	994
Other	0.50	94	0.50	108
		<b>13,905</b>		<b>12,560</b>

# Notes to the Financial Statements

## For the year ended 31 December 2013

The following amounts were measured in accordance with the requirements of FRS 17

	2013 £000	2012 £000
Total market value of assets	13,905	12,560
Present value of scheme liabilities	(16,565)	(16,112)
Deficit in the scheme	<u>(2,660)</u>	<u>(3,552)</u>

The following amounts have been recognised in the financial statements.  
The Group's net assets and unrestricted reserves are as follows:

	2013 £000	2012 £000
Net assets excluding pension reserve	153,923	133,689
Pension liability	(2,660)	(3,552)
Net assets including pension liability	<u>151,263</u>	<u>130,137</u>
Unrestricted funds excluding pension liability	15,546	15,292
Pension reserve	(2,660)	(3,552)
	<u>12,886</u>	<u>11,740</u>

The following amounts have been recognised in the performance statements in the year to 31 December 2013 under the requirements of FRS 17:

	2013	2012
<b>Resources expended</b>		
Current service costs	208	221
<b>Total operating charge</b>	<u>208</u>	<u>221</u>
<b>Pension finance income</b>		
Expected return on pension scheme assets	756	733
Interest on pension scheme liabilities	(696)	(729)
<b>Net return</b>	<u>60</u>	<u>4</u>
<b>Statement of total recognised gains and losses</b>		
Actual return less expected on pension scheme assets	821	396
Actuarial loss on liabilities	(348)	(137)
Actuarial gain recognised in the SOFA	<u>473</u>	<u>259</u>
<b>Movement in deficit during the year:</b>		
<b>Deficit in scheme at beginning of the year</b>	(3,552)	(4,050)
<b>Movement in year:</b>		
Current service cost	(208)	(221)
Contributions	567	456
Other finance income	60	4
Actuarial gain	473	259
<b>(Deficit) in scheme at the year end</b>	<u>(2,660)</u>	<u>(3,552)</u>

### Details in experience gains/(losses) for the year to 31 December 2013

	2013	2012	2011	2010	2009	2008
<b>Difference between the expected and actual return on scheme assets</b>						
Amount (£000)	821	396	(973)	489	806	(3,965)
Percentage of scheme assets	5.9%	3.2%	(8.3%)	4.0%	7.1%	(39.0%)
<b>Experience gains/(losses) on scheme liabilities</b>						
Amount (£000)	(563)	14	599	139	148	(549)
Percentage of the present value of the scheme liabilities	(3.4%)	0.1%	3.8%	0.9%	1.0%	(4.6%)
<b>Total amount recognised in SOFA</b>						
Amount (£000)	473	259	(946)	753	(1,995)	(2,633)

## 16 Restatement of opening balances (Group)

Existing fund name	Fund balances previously stated at 31 Dec 2012 £000	Prior year adjustments	Fund balances at 31 Dec 2012 as restated £000
<b>Endowment funds</b>			
Permanent Annuities Fund	31,461	-	31,461
F E Cobbold Trust Fund	9,865	(53)	9,812
Ulster Ladies Trust Fund	110	-	110
Backsettown Endowed Charity (Permanent Endowment) Fund	233	-	233
Backsettown Charity (Expendable Endowment) Fund	-	41	41
The Georgina Tompkins Charity	72	-	72
Provision of Homes Fund - Capital	-	400	400
All Saints Charity Capital Fund	-	7,960	7,960
<b>Total endowment funds</b>	<b>41,741</b>	<b>8,348</b>	<b>50,089</b>
<b>Restricted funds</b>			
<b>Restricted capital funds</b>			
Life Annuities Fund	35,783	-	35,783
Annuitants' Relief Fund	384	-	384
Provision of Homes Fund	29,579	(6,113)	23,466
Homes of Rest for Gentlewomen Fund	2,928	-	2,928
<b>Total restricted capital funds</b>	<b>68,674</b>	<b>(6,113)</b>	<b>62,561</b>
<b>Restricted income funds</b>			
Permanent Annuities Fund	367	-	367
F E Cobbold Trust Fund	2,069	53	2,122
Ulster Ladies Trust Fund	478	-	478
Backsettown Charity Fund	75	(41)	34
All Saints Charity Income Fund	-	421	421
Other restricted funds	4,993	(2,447)	2,546
<b>Total restricted income funds</b>	<b>7,982</b>	<b>(2,014)</b>	<b>5,968</b>
<b>Total restricted funds</b>	<b>76,656</b>	<b>(8,127)</b>	<b>68,529</b>
<b>Unrestricted general fund</b>			
General fund	4,218	(221)	3,997
Property revaluation reserve	5,597	-	5,597
Pension reserve	(3,552)	-	(3,552)
<b>Total unrestricted funds</b>	<b>6,263</b>	<b>(221)</b>	<b>6,042</b>
<b>Designated funds</b>			
Strategic investment fund	1,143	-	1,143
Property strategy fund	1,700	-	1,700
Governance review fund	100	-	100
Head office repairs fund	173	-	173
Tangible fixed asset fund	2,361	-	2,361
	<b>5,477</b>	<b>-</b>	<b>5,477</b>
<b>Total</b>	<b>130,137</b>	<b>-</b>	<b>130,137</b>

Management have conducted a review of the charity's funds during the year. The review concluded that certain funds had been incorrectly classified in the accounting records. Expenditure on these funds was correctly spent in accordance with donor wishes. Consequently the 1 January 2012 endowment fund balance was understated by £8.3m, restricted funds overstated by £8.1m and unrestricted funds overstated by £0.2m. The prior year, incorrect classification has been corrected by a transfer between funds. This has no overall effect on the funds brought forward.

Independent Age has approached the Charity Commission with a proposed funds realignment scheme during the year. The Charity Commission result is still pending and is expected in 2014.

# Notes to the Financial Statements

## For the year ended 31 December 2013

### 17 Movement on funds (Group)

	Balance at 1 January 2013 restated	Incoming resources	Resources expended	Transfers	Gains/ Losses	Balance at 31 December 2013
	£000	£000	£000	£000	£000	£000
<b>Endowment funds</b>						
Permanent Annuities Fund	31,461	-	-	-	4,457	<b>35,918</b>
F E Cobbold Trust Fund	9,812	-	-	-	1,390	<b>11,202</b>
Ulster Ladies Trust Fund	110	-	-	-	15	<b>125</b>
Backsettown Endowed Charity	233	-	-	-	33	<b>266</b>
Backsettown Charity (expendable)	41	-	-	-	6	<b>47</b>
Georgina Tompkins Charity	72	-	-	-	10	<b>82</b>
Provision of Homes Fund	400	-	-	-	57	<b>457</b>
All Saints Charity Capital Fund	7,960	-	-	-	1,128	<b>9,088</b>
<b>Total endowment funds</b>	<b>50,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,096</b>	<b>57,185</b>
<b>Restricted capital funds</b>						
Life Annuities Fund	35,783	1,455	(771)	-	5,070	<b>41,537</b>
Annuitants' Relief Fund	384	16	(957)	503	54	<b>-</b>
Provision of Homes Fund	23,466	1,093	(145)	-	3,325	<b>27,739</b>
General Purposes Fund	-	761	-	(761)	-	<b>-</b>
Homes of Rest for Gentlewomen	2,928	119	(5)	-	415	<b>3,457</b>
All Saints Capital Fund	-	-	-	-	-	<b>-</b>
<b>Total restricted capital funds</b>	<b>62,561</b>	<b>3,444</b>	<b>(1,878)</b>	<b>(258)</b>	<b>8,864</b>	<b>72,733</b>
<b>Restricted income funds</b>						
Permanent Annuities Fund	367	1,294	(109)	-	52	<b>1,604</b>
F E Cobbold Trust Fund	2,122	486	(65)	-	300	<b>2,843</b>
Ulster Ladies Trust Fund	478	24	(1)	-	68	<b>569</b>
Georgina Tompkins Charity	-	3	-	-	-	<b>3</b>
Backsettown Endowed Charity	-	23	(1)	-	-	<b>22</b>
Backsettown Charity	34	3	-	-	5	<b>42</b>
All Saints Income Fund	421	437	(14)	-	60	<b>904</b>
Funds restricted by donors	2,546	589	(339)	-	361	<b>3,157</b>
<b>Total restricted income funds</b>	<b>5,968</b>	<b>2,859</b>	<b>(529)</b>	<b>-</b>	<b>846</b>	<b>9,144</b>
<b>Total restricted funds</b>	<b>68,529</b>	<b>6,303</b>	<b>(2,407)</b>	<b>(258)</b>	<b>9,710</b>	<b>81,877</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Strategic investment fund	1,143	-	-	(147)	-	<b>996</b>
Property strategy fund	1,700	-	-	356	-	<b>2,056</b>
Governance review fund	100	-	-	(50)	-	<b>50</b>
Head office repairs fund	173	-	-	(148)	-	<b>25</b>
Tangible fixed asset fund	2,361	-	-	529	-	<b>2,890</b>
<b>Total designated funds</b>	<b>5,477</b>	<b>-</b>	<b>-</b>	<b>540</b>	<b>-</b>	<b>6,017</b>
Pension reserve	(3,552)	60	359	-	473	<b>(2,660)</b>
Property revaluation reserve	5,597	-	-	-	-	<b>5,597</b>
General fund	3,997	1,805	(3,905)	(282)	1,632	<b>3,247</b>
<b>Total unrestricted funds</b>	<b>11,519</b>	<b>1,865</b>	<b>(3,546)</b>	<b>258</b>	<b>2,105</b>	<b>12,201</b>
<b>Total net funds</b>	<b>130,137</b>	<b>8,168</b>	<b>(5,953)</b>	<b>-</b>	<b>18,911</b>	<b>151,263</b>

## 17 Movement on funds (Charity)

	Balance at 1 January 2013 restated	Incoming resources	Resources expended	Transfers	Gains/ Losses	Balance at 31 December 2013
	£000	£000	£000	£000	£000	£000
<b>Endowment funds</b>						
Permanent Annuities Fund	31,461	-	-	-	4,457	<b>35,918</b>
F E Cobbold Trust Fund	9,812	-	-	-	1,390	<b>11,202</b>
Ulster Ladies Trust Fund	110	-	-	-	15	<b>125</b>
Backsettown Endowed Charity	233	-	-	-	33	<b>266</b>
Backsettown Charity (expendable)	41	-	-	-	6	<b>47</b>
Georgina Tompkins Charity	72	-	-	-	10	<b>82</b>
Provision of Homes Fund	400	-	-	-	57	<b>457</b>
All Saints Charity Capital Fund	7,960	-	-	-	1,128	<b>9,088</b>
<b>Total endowment funds</b>	<b>50,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,096</b>	<b>57,185</b>
<b>Restricted capital funds</b>						
Life Annuities Fund	35,783	1,455	(771)	-	5,070	<b>41,537</b>
Annuitants' Relief Fund	384	16	(957)	503	54	<b>-</b>
Provision of Homes Fund	23,466	1,093	(145)	-	3,325	<b>27,739</b>
General Purposes Fund	-	300	-	(300)	-	<b>-</b>
Homes of Rest for Gentlewomen	2,928	119	(5)	-	415	<b>3,457</b>
All Saints Capital Fund	-	-	-	-	-	<b>-</b>
<b>Total restricted capital funds</b>	<b>62,561</b>	<b>2,983</b>	<b>(1,878)</b>	<b>203</b>	<b>8,864</b>	<b>72,733</b>
<b>Restricted income funds</b>						
Permanent Annuities Fund	367	1,294	(109)	-	52	<b>1,604</b>
F E Cobbold Trust Fund	2,122	486	(65)	-	300	<b>2,843</b>
Ulster Ladies Trust Fund	478	24	(1)	-	68	<b>569</b>
Georgina Tompkins Charity	-	3	-	-	-	<b>3</b>
Backsettown Endowed Charity	-	23	(1)	-	-	<b>22</b>
Backsettown Charity	34	3	-	-	5	<b>42</b>
All Saints Income Fund	421	437	(14)	-	60	<b>904</b>
Funds restricted by donors	2,127	561	(1)	-	361	<b>3,048</b>
<b>Total restricted income funds</b>	<b>5,549</b>	<b>2,831</b>	<b>(191)</b>	<b>-</b>	<b>846</b>	<b>9,035</b>
<b>Total restricted funds</b>	<b>68,110</b>	<b>5,814</b>	<b>(2,069)</b>	<b>203</b>	<b>9,710</b>	<b>81,768</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Strategic investment fund	1,143	-	-	(147)	-	<b>996</b>
Property strategy fund	1,700	-	-	356	-	<b>2,056</b>
Governance review fund	100	-	-	(50)	-	<b>50</b>
Head office repairs fund	173	-	-	(148)	-	<b>25</b>
Tangible fixed asset fund	2,361	-	-	529	-	<b>2,890</b>
<b>Total designated funds</b>	<b>5,477</b>	<b>-</b>	<b>-</b>	<b>540</b>	<b>-</b>	<b>6,017</b>
Pension reserve	(3,552)	60	359	-	473	<b>(2,660)</b>
Property revaluation reserve	5,597	-	-	-	-	<b>5,597</b>
General fund	3,997	1,805	(3,905)	(743)	1,632	<b>2,786</b>
<b>Total unrestricted funds</b>	<b>11,519</b>	<b>1,865</b>	<b>(3,546)</b>	<b>(203)</b>	<b>2,105</b>	<b>11,740</b>
<b>Total net funds</b>	<b>129,718</b>	<b>7,679</b>	<b>(5,615)</b>	<b>-</b>	<b>18,911</b>	<b>150,693</b>

## Notes to the Financial Statements

### For the year ended 31 December 2013

#### Fund descriptions

##### Endowment funds

**The Permanent Annuities Fund** consists of over 500 individually-named annuity funds set up by specific donations and legacies since Independent Age's inception to fund annuities of various numbers and amounts. The income derived from the capital invested must be used to pay annuities.

**The F E Cobbold Trust Fund** was set up following a bequest to establish regular allowances for eligible persons living in the county of Suffolk and, after satisfying this requirement, to any eligible persons residing outside this area. The income derived from the capital invested is used to pay annuities as outlined. Surplus income may be used to provide grants for these persons.

**The Ulster Ladies Trust Fund** is managed and administered by Independent Age under its Charter to provide annuities to eligible women residing or formerly residing in Northern Ireland or the administrative counties of Cavan, Donegal or Monaghan. The income from the capital invested is used to pay annuities.

**The Backsettownd Endowed Charity** (together with the assets of the Backsettownd Charity) was vested in Independent Age under a Charity Commission Scheme; the income can only be used to provide relief for people in need, hardship or distress or the provision of facilities to relieve such needs.

**The Georgina Tompkins Charity** was vested in Independent Age under a Charity Commission Scheme; the income arising is to be used to help women in reduced circumstances with preference for those from the south of England.

**The All Saints Charity Capital Fund** has been demerged from The Provision of Homes Fund following the sale of the care homes and related properties in 2011.

##### Restricted funds

**The Life Annuities Fund** is valued annually on actuarial principles. The Royal Charter requires that the capital value of each regular allowance is calculated on an actuarial basis and sufficient capital is set aside to cover the full lifetime cost before a regular payment is granted.

**The F E Cobbold Trust Fund** was set up following a bequest to establish regular allowances for eligible persons living in the county of Suffolk and, after satisfying this requirement, to any eligible persons residing outside this area. The income derived from the capital invested is used to pay annuities. Surplus income may be used to provide grants for these persons.

**The Annuitants' Relief Fund** is a fund set up under the terms of the Charter to fund the cost of one-off emergency grants to those of our beneficiaries eligible to receive such grants.

**The Provision of Homes Fund** is a fund set up under the terms of the Royal Charter to provide, endow, maintain and manage homes. The fund is represented by fixed assets (homes, flats and bungalows and their furniture and equipment) and an investment portfolio to provide income to support beneficiaries in non-Independent Age homes.

**The Backsettownd Charity** is managed by Independent Age under a Charity Commission scheme to provide relief for people in need, hardship or distress or the provision of facilities to relieve such needs.

**The Homes of Rest for Gentlewomen Fund** is managed by Independent Age under a Charity Commission scheme. It is restricted to assisting impoverished ladies.

**The General Purposes Fund** is the fund to which at least 50% of legacies are placed before allocation across the other capital funds. During the year the fund was transferred to unrestricted funds in line with the donors' intentions.

**Other restricted funds** include income restricted by the donor for specific purposes.

### Unrestricted funds

The Board of Trustees' report explains the main reasons why the charity holds reserves and the adequacy of the unrestricted reserves at the year end. The reserves policy is monitored and reviewed on an annual basis.

### Designated funds

**The Strategic Investment Fund** has been set aside to meet the cost of expenditure to be incurred in accordance with Independent Age's strategic plan 2014 to 2015, including the development of a new ICT strategy and the step-change strategy. It also provides a strategic contingency against as yet unquantified costs relating to the charity's development over the next two years.

**The Property Strategy Fund** has been set aside in order to fund capital works arising out of the property strategy which will be concluded in 2014.

**The Governance Review Fund** has been set up to fund the planned review of Independent Age's governance arrangements.

**The Head Office Repairs Fund** has been established to cover both planned and emergency work to the Head Office building.

**The Investment Properties Fund** is a designated fund set aside to reflect the fact that these amounts are tied up in assets used by the charity to undertake its charitable activities and which are therefore not available for use on other purposes.

### General funds

**The General Fund** is unrestricted funds not held or designated for other purposes and used for the general work of Independent Age.

# Notes to the Financial Statements

## For the year ended 31 December 2013

### 18 Analysis of net assets between funds (Group)

	Unrestricted fund £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total funds £000
Tangible fixed assets	752	-	-	468	-	1,220
Investments	2,212	3,127	-	86,669	57,185	149,193
Investment properties	2,890	-	-	-	-	2,890
Programme-related investments	-	-	-	543	-	543
Current assets	3,473	2,890	-	6,169	-	12,532
Current liabilities	(483)	-	-	(1,965)	-	(2,448)
Creditors: amount falling due after more than one year	-	-	-	(10,007)	-	(10,007)
Defined benefit pension scheme liability	-	-	(2,660)	-	-	(2,660)
<b>Total funds</b>	<b>8,844</b>	<b>6,017</b>	<b>(2,660)</b>	<b>81,877</b>	<b>57,185</b>	<b>151,263</b>

### 18 Analysis of net assets between funds (Charity)

	Unrestricted fund £000	Designated funds £000	Pension reserve £000	Restricted funds £000	Endowment funds £000	Total funds £000
Tangible fixed assets	752	-	-	468	-	1,220
Investments	2,212	3,127	-	86,669	57,185	149,193
Investment properties	2,890	-	-	-	-	2,890
Programme-related investments	-	-	-	543	-	543
Current assets	3,473	2,890	-	5,880	-	12,243
Current liabilities	(944)	-	-	(1,785)	-	(2,729)
Creditors: amount falling due after more than one year	-	-	-	(10,007)	-	(10,007)
Defined benefit pension scheme liability	-	-	(2,660)	-	-	(2,660)
<b>Total funds</b>	<b>8,383</b>	<b>6,017</b>	<b>(2,660)</b>	<b>81,768</b>	<b>57,185</b>	<b>150,693</b>

### 19 Trustees' indemnity insurance

As permitted under its Royal Charter, in 2013 Independent Age paid charity indemnity insurance of £843 (2012: £2,987).

### 20 Trustees' remuneration and expenses

No remuneration was paid to Trustees during the year. Expenses of £758 (2012: £1,164) were reimbursed to 2 (2012: 11) Trustees.

### 21 Related parties and connected charities

The Florence Nightingale Aid in Sickness Trust (FNAIST), registered charity number 211896, is administered by Independent Age, as Managing Trustee, under a Charity Commission Scheme dated 13 April 2006. In 2013, FNAIST paid Independent Age the sum of £13,000 (2012: £13,000) for administration. As at 31 December 2013 FNAIST owed Independent Age £9,628 (2012: £9,487).

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

# Charter Members

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

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

As at 31 December 2013



ad  
**Independent  
Age**

**Independent Age**  
6 Avonmore Road  
London  
W14 8RL

T 020 7605 4200  
E [charity@independentage.org](mailto:charity@independentage.org)  
[www.independentage.org](http://www.independentage.org)  
**Advice line 0800 319 6789**



The Royal United Kingdom  
Beneficent Association

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

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