



advice and support for older age  
**Independent  
Age**



Annual Report and  
Accounts **2017**



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# Chair and Chief Executive's statement

Welcome to our Annual Report for 2017, which has been an especially significant year for Independent Age. Now halfway through our exciting five-year strategy and expansion plan, we have updated the vision, mission and ambition we set out in 2015 to make the greatest impact we can over the coming years.

Independent Age has made remarkable progress since the launch of the strategy and we are incredibly proud of our achievements so far. We are supporting more older people than ever before and have made enormous improvements to the quality and breadth of our services. We have also built a grassroots campaigning base from scratch and become a recognised and respected thought leader on ageing issues.

We believe we have built a sustainable foundation upon which we can continue to grow while, at the same time, retaining our ability to respond to the changing external landscape. After consistent campaigning to raise the standard of care for older people, we have been encouraged by the government's promise of a proposed plan for social care. Our influence on this plan will be led by our frontline services as we strive to ensure older people have a say in their care.

We are also keen to explore how we can increase the involvement of older people

in the work of the charity, from decision-making through to service delivery. In fact, we are implementing plans to develop closer, more meaningful relationships with everyone who interacts with us, including our wonderful volunteers, donors and campaigners.

This is a critical time for the growing population of older people in the UK. Recent figures show that almost 2 million older people in the UK are living in financial hardship, while more than 1 million in England alone are struggling with unmet care needs. Meanwhile, extreme loneliness remains an unbearable reality for too many as increasing numbers are forced to endure day after day alone with no one to talk to.

Your support is needed now more than ever and we are extremely grateful to our trustees, staff, volunteers, supporters and campaigners for everything they are doing to help make our huge ambitions a reality. In the following pages we have outlined some of our achievements and hope you enjoy reading about them. We look forward to updating you on our progress again next year.

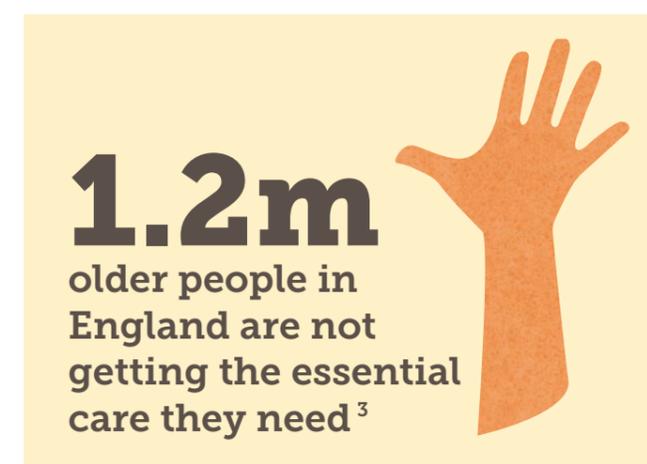
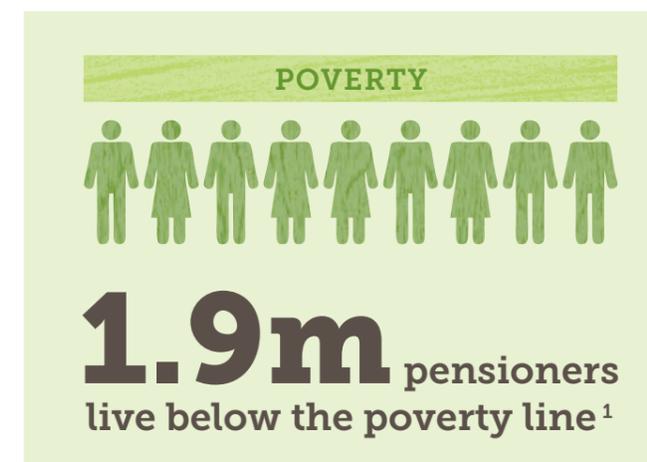


Dr Justine Frain  
Chair



Janet Morrison  
Chief Executive

## Why we are needed



## About Independent Age

Whatever happens as we get older, we all want to remain independent and live life on our own terms. That's why, as well as offering regular friendly contact and a strong campaigning voice, Independent Age can provide you and your family with clear, free and impartial advice on the issues that matter: care and support, money and benefits, health and mobility.

A charity founded over 150 years ago, we're independent so you can be.

### Our vision:

A society where older people can live the lives they aspire to and contribute actively to their communities.

### Our mission:

To enable older people to stay independent and live well with dignity, choice and control.

Our objects, as set out in the Royal Charter, are primarily to assist and provide relief to older people in need by reason of ill-health, disability, financial hardship or other disadvantage. The charity may also assist and provide relief to others in need by reason of ill-health, disability, social or financial hardship. The charity's work includes the Campaign to End Loneliness and is responsible for its governance.

# Our year in numbers

**2** advice guides, Coping with Bereavement and Scamwise, received a Plain English Award 

**1** Charity Times Award for Best Use of Web 

**2.7m**   
information guides and resources distributed

Over **1,500** amazing volunteers helped provide life-changing social contact to vulnerable older people

 An average of **9** national media mentions every week

 Over **1m** people accessed our support



**40,360** Helpline enquiries related to care and support, money and benefits, and health and mobility 

A fantastic **£1.7m** raised to support older people through advice, information resources, Friendship Services and campaigning activities 

**75,000**  people supported our cause

**6** new advice guides added to our award-winning series 

# NO FEAR

# Trustees' report

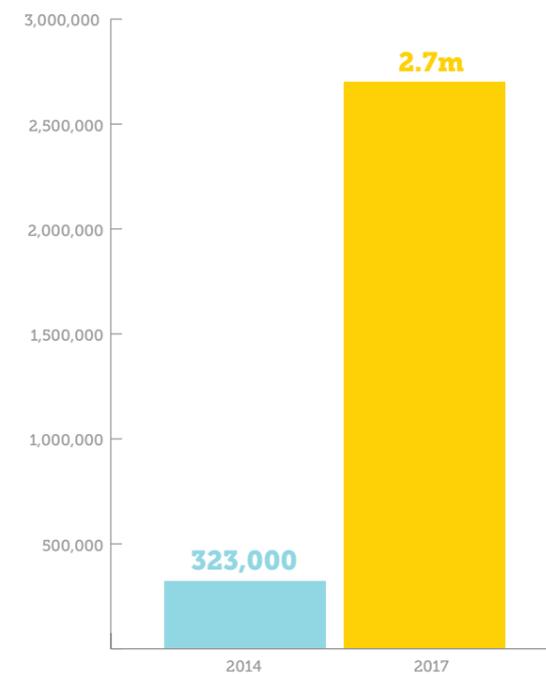
## Our strategy

In 2015, we launched an ambitious five year strategy to significantly increase the impact of Independent Age through the expansion of our services, campaigns and public engagement activities. Three years on, we are incredibly proud of the scale of what we have achieved so far. In 2017 alone, we supported over 1 million people – that's more than five times our reach in 2014.

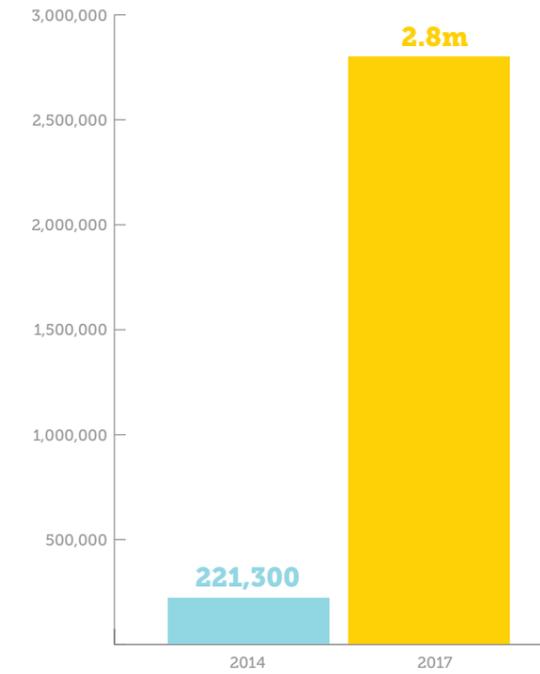
We now support more older people than ever before to stay independent and live well. We offer a broad range of quality information, expert one-to-one advice, regular contact to over 1,000 vulnerable and lonely older people through our Friendship Services nationally and locally, and a strong campaigning voice. We also inspire people to support us in whatever way they can, from becoming a volunteer to running a marathon or giving a regular gift.

But our ambition does not stop there. More of us than ever before are facing the day-to-day realities of later life. Our aim is to double the number of people we support by 2020. We want to continue to expand the scale, scope and depth of our services, build meaningful relationships with the millions of people who connect with us, and sustainably grow our organisation in a way that supports not just today's older people but the generations to come. We look forward to sharing that success.

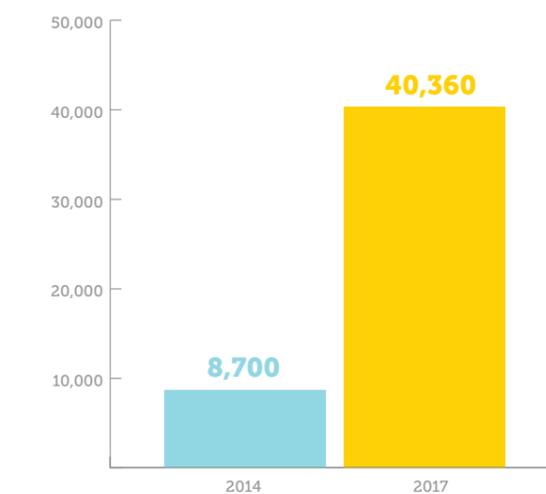
Information resources distributed



Overall service interactions



Helpline enquiries



### What is a 'service interaction'?

A service interaction is an action taken to assist an older person, family member, carer or professional. This might be an action they take themselves using our services (such as reading an online article or printed guide, or calling our Helpline) or it might be an action we – or one of our volunteers – take, such as visiting an older person in their home.

“Honestly, Independent Age is like an extra member of the family. Just knowing you are all there is a daily comfort, even if everything is fine.”



## Quality information and expert advice

### What we do

Recent figures show that millions of older people miss out on the support they need, often because they don't know it's available<sup>4</sup>. We give free, independent and confidential advice over the telephone for older people, their families and carers on issues such as getting help at home, residential care, staying in touch with other people and welfare benefits. We also produce a range of free printed and online information resources.

Often those who use our Helpline and resources are in the middle of a crisis – they could be desperately trying to find a care home for an elderly parent; they might be an older person who is struggling to pay the bills or manage the stairs. Receiving clear guidance can be a huge relief, helping them to feel less stressed and alone in their experience and more empowered to make informed decisions.

### Our main achievements in 2017

After achieving a sharp increase in our public information reach in 2016, our main focus in 2017 was on developing our resources, expanding our topic range and reaching new audiences. These were some of the highlights:

- More older people and families than ever before received advice through our Helpline and viewed or ordered our public information resources.
- We were awarded Charity Times' Best Use of the Web 2017, with the information

section of our website, in particular, receiving praise for its clear and accessible information and advice.

- We expanded our range of free public information resources with new guides, animated information films and interactive web tools.
- We were awarded a Plain English Award for two of our new guides, **Coping with Bereavement** and **Scamwise**, on the basis of 'design, accessibility and clarity'.
- We advised on and appeared in ITV's prime-time series 100 Year Old Driving School and produced free resources to support older drivers and their families and carers.
- We attained the national Information Standard for our public information – an NHS England quality standard that recognises high quality, accurate and accessible health and social care information.
- We developed our Readers' Panel – people of all ages who review our information resources – to include almost 200 volunteers.

### Our priorities for 2018

We want to help thousands more older people access the care, benefits and support they need. We aim to do this by increasing awareness of our free services, advising on more issues and producing even more printed and online resources.

### Jenny's story: "I cried with relief"

"One of my problems is that I can only stand for a couple of minutes. My big fear was that I was going to have to move out of the home I have lived in for 40 years, away from my community and my terrific neighbours. I phoned up Independent Age and told them about my situation.

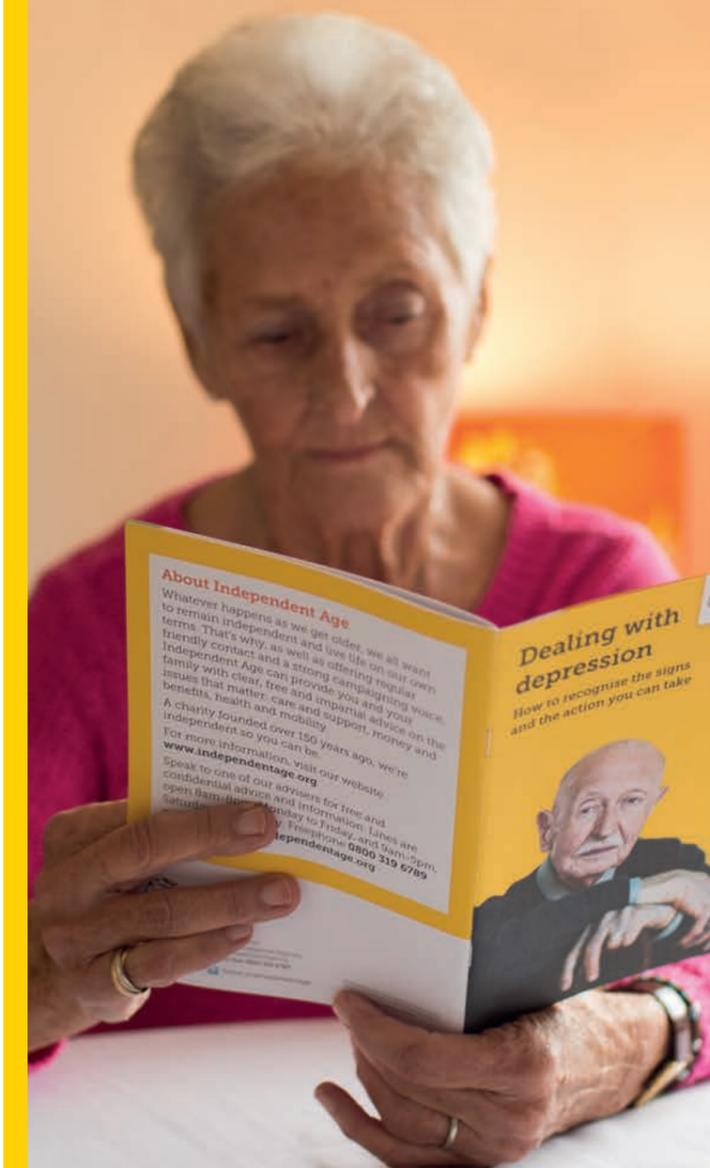
I was advised to ring the adult social services team at the council. Before this, I had problems finding the right person and no one I spoke to wanted to know. I called an occupational therapist from the council who came round within a week and told me how they were going to help me. They arranged for grab rails to be installed for free. They also recommended a wet room and told me how to apply for a grant.

I knew then that I wouldn't need to move out and that I would be safe here. I cried with relief. Ringing your Helpline has changed my life."

### Tom's story: "I now claim Attendance Allowance"

"I came across your factsheets in the library and I read about the Attendance Allowance, which provides extra money if you need regular help because of your health needs or disability. I hadn't known about this before... This money is so useful for us. Independent Age has been a great help."

**57%** of the older people who read **Dealing with Depression** said it helped them to feel less worried.



## Life-changing Friendship Services

### What we do

Almost 1 in 3 of those aged 80 and over say they feel lonely in their daily life<sup>5</sup>, which can have a devastating impact on one's health and wellbeing. With the help of our committed volunteers, we offer Friendship Services delivered through phone calls, visits and telephone discussion groups, helping older people to feel more socially connected.

Many older people who use these services live on their own and have few family members or friends left to call on. Receiving a regular visit or call from a long-term volunteer – being able to form, over time, a genuine bond of friendship – can make the most enormous difference to someone's self-esteem and quality of life.

### Our main achievements in 2017

The issue of loneliness in later life has become increasingly urgent. In 2017 we focused on developing and improving the quality of our Friendship Services so that we can provide thousands more lonely older people with regular social contact over the coming years. Some of the highlights were as follows:

- We raised the satisfaction levels in our Friendship Services so that 84% of the older people we support said they would recommend our services to others.
- We increased the impact of our Friendship Services, with 78% of those who receive one of the services saying they feel less lonely as a result of our support.

- We grew our volunteer base to 1,500 and raised the satisfaction levels of our volunteers, with 91% saying they feel proud to volunteer for Independent Age.

### Our priorities for 2018

We have ambitious targets for the year ahead. Not only do we plan to welcome many more older people and volunteers to our Friendship Services, but we will also be exploring new ways to involve them in the development of these services.

### Zoe's story: "Giving time is fundamental"

Across the country, volunteers from Independent Age visit or phone older people, increasing the companionship in their lives and staving off loneliness.

Few know more about this than Zoe who, at 86, retired in 2017 after an incredible 53 years as an Independent Age volunteer visitor.

Unsurprisingly, Zoe has lost count of how many older men and women she has visited but believes the number may be as high as 80.

She says, "Making people feel that they are not alone is so important. Being there, as someone to talk to, is one of the most important things you can do for someone else. Giving time is fundamental."

### Harold's story: "I happened to mention that I was desperately lonely"

"The weekends are the loneliest time. There are people to nod to as I've lived here a long time, and most people ask how you are but they're just asking for conversation. I don't say that unkindly – everyone is tied up with their own worries and problems. That's life now and I've had my good times as well.

I have cancer, kidney disease and a lung condition. I happened to mention that I was desperately lonely to one of my consultants in hospital and the doctor asked me if I was interested in having a volunteer visitor from Independent Age.

Ruth has made a lot of difference to my life. She told me she was nervous when she first came here last summer and I was very nervous too. I think we just clicked from square one. We could trust each other to talk openly as if we've known each other for years. She has an interesting occupation and we talk about that, but we talk about all and sundry too. We share a great sense of humour.

She looks forward to seeing me and I certainly look forward to seeing her."



## Standing up for older people

### What we do

Every day we hear from older people and their families about the challenges they are facing. We use our independent campaigning voice to tackle and raise awareness of the major issues affecting our ageing society. We also undertake leading research to ensure government, health and care services, and other partners, deliver the improvements older people seek.

### Our main achievements in 2017

Despite wide consensus that the UK's care system for older people is at crisis point, we started yet another year without any sort of government plan to address the problem. Our priority, then, was to increase the pressure. After consistent campaigning with other organisations, we were finally rewarded by the announcement of extra funding for social care in the Spring Budget and the government's commitment to publishing an initial proposal for the future of care by summer 2018. These were our main activities:

- We wrote an open letter to the Prime Minister calling for urgent action, supported by 75 high profile organisations.
- We published a report, in partnership with the Institute for Public Policy Research, quantifying the social care funding gap and outlining the impact of different funding models on future care.
- We produced research on the then proposed £72,000 cap on care costs,

proposing an all-inclusive £100,000 cap in its place – even more significant since the government's proposal was scrapped.

- We supported research on improving the quality of care homes and developed indicators for people to use when trying to assess quality. We also campaigned to raise the standard of care homes across the country (see box).
- We invited thought leaders in social care to share their views on how care could be delivered more effectively in the future and collated these in a report which was distributed to decision-makers.
- We increased recognition of our work and the issues older people face among MPs in England, from 1 in 10 having heard of us in 2016, to 1 in 3 in 2017.

### Peter's story: "A difficult and stressful experience"

We developed quality indicators with consumer champion Healthwatch Camden to help people quickly assess how good a care home really is. One of our campaigners, Peter, describes why this work is so important.

"When my wife, Sheila, was diagnosed with dementia, I dedicated myself to her care. However, I was now ill myself and was about to start treatment. I had no option but to find her respite care.

Ill and confused, I called around many places. I quickly discovered how hard it was to find somewhere in our area with space for a person with dementia.

### Our priorities for 2018

We will continue to shine a spotlight on the widespread issues that affect older people in the current care system. In addition, we will look to influence the government's plans for the future, particularly in terms of who will be expected to pay for care and ensuring good quality care for all.

Our objectives:

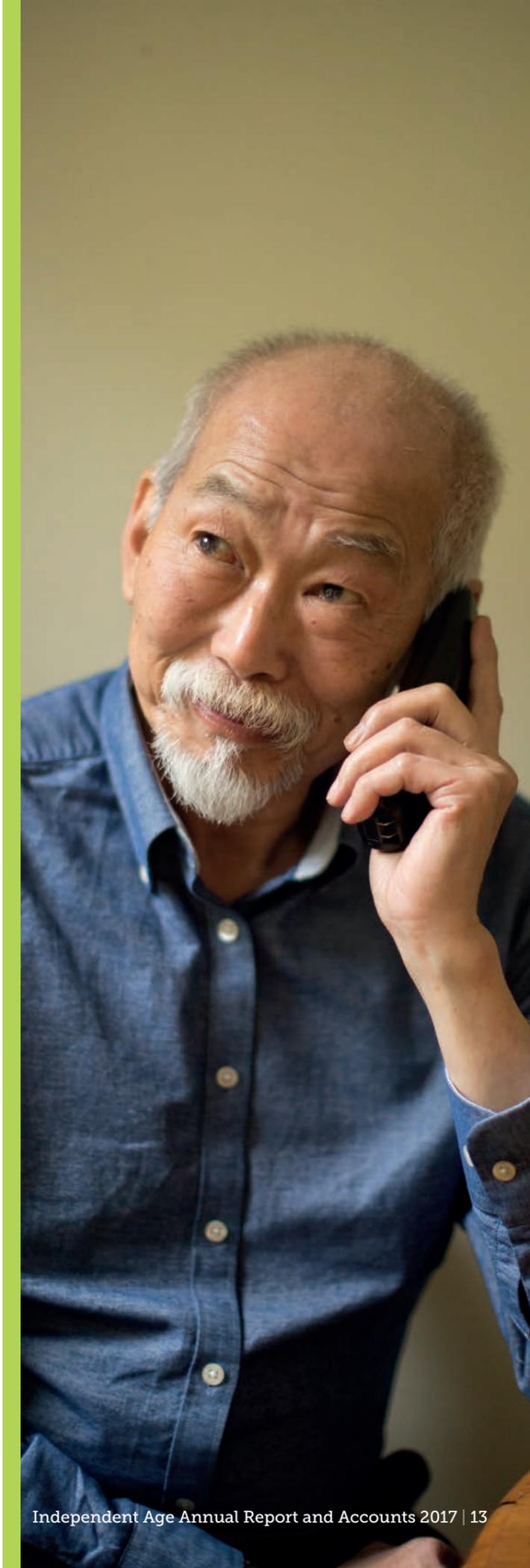
- the government addresses the current funding gap for care
- older people's experiences and needs inform the government's plans for the future of social care.

We will also campaign to ensure older people have access to crucial health services and receive the support they want and need when their partner dies.

Some places we visited were dark and cramped; others smelled of urine. Eventually a nurse recommended a care home she used to work at to us.

Finding this home was a huge relief. Without the recommendation, we would have struggled. I used to work in the civil service – I know how to navigate 'the system' – but it was still a difficult and stressful experience.

I think the indicators developed by Independent Age and Healthwatch Camden are admirable. They would have primed me with the questions to ask on a visit and made my search easier."



## Raising vital funds

At Independent Age, our aim is to support older people to stay independent and live well. Given that by 2040, almost 1 in 4 people in the UK will be aged 65 or over<sup>6</sup>, we have a huge and exciting task ahead of us.

In order to meet this significant challenge and help reduce financial hardship, tackle inadequate care and combat loneliness in later life, we aim to inspire people to support us in whatever way they can. Helping make the UK the best place in the world to grow older is something we can all be a part of. After all, we are all ageing.

### Thank you

We do not receive any government funding, but instead rely on the generous support of individuals, charitable trusts, companies and community groups to help expand our vital services, our public engagement work and our ongoing campaigns to secure a fair deal for older people.

We are tremendously grateful to everyone who has supported Independent Age during 2017.

### Inspiring support

In 2017, thousands of people supported us through a regular monthly gift, hundreds took up the challenge of a sponsored event and many made a wonderful contribution by including a gift to Independent Age in their Will. While these generous gifts come in all sizes, each one of them will play a part in making our life-changing work possible and ultimately supporting more older people. Each of our supporters has their own special story to tell:

### Sheila's story: "The feeling that someone cares"

"Independent Age gives tremendous help to people who are alone, and I value that ethos. I am fortunate with my family and my neighbours but circumstances can change. I know that if I need to, I can pick up the phone and speak to someone who will listen, give me advice and point me in the right direction.

I am leaving a legacy as a small repayment for what has been given to me over the years: the feeling that someone cares. If the chips were down, there is help out there and it's help that comes from the heart."

### Cathy's story: Celebrating life at 70

Many of our wonderful supporters took part in a whole host of fundraising events throughout 2017, including the London Marathon, the Thames Path Challenge, the Santa Run and our own Big Tea and 100in10 virtual event. One of our inspirational supporters was Cathy, who decided to run her first ever marathon. What better way to celebrate turning 70?

She told us, "Running the London Marathon with, and for, Independent Age was the best experience you could ever wish for."

### Mildred's story: "You've changed my life"

Funds raised from our Christmas appeal are helping us to transform the lives of older people like Mildred. At 88 years old, Mildred has lived on her own for the last 12 years since her beloved husband, John, died. Even though she has her dog to keep her company, Mildred feels lonely for much of the time, and Christmas can be especially hard. She enjoys Christmas lunch with her family but says, "As soon as I get home, I'm on my own again."

Loneliness can have a devastating impact on older people. But through the generosity of our donors, we are able to support older people like Mildred through our life-changing Friendship Services. That's something she discovered when we matched her with our wonderful volunteer Farrah, who now visits on a regular basis. It's been a real lifeline and the two have struck up a firm friendship. Mildred says, "Farrah and Independent Age have really changed my life and I sincerely mean that."

In 2018, we aim to inspire many more supporters and partners to join us in changing the lives of older people today and in the future.



## Campaign to End Loneliness

We believe loneliness should not be an inevitable part of growing old, but the sad reality is that over 1 million older people in the UK are chronically lonely.

The Campaign is a network of organisations and individuals working together to tackle this urgent issue. Supported by and under the directorship and governance of Independent Age, its work ensures that loneliness is treated as a public health priority at both national and local level.

The Campaign to End Loneliness has a new and exciting mission: to make loneliness everyone's business. We do this by continuing to offer evidence-based influencing of public health policy and good practice events and tools to over 1,000 frontline organisations and statutory bodies.

We are now setting out to proactively inspire a mass movement and engage with new audiences, specifically the public and business. With a target turnover of around £4m for the period from 2017-2020 – £2.65m of which was awarded by the Big Lottery in 2017 – we have around £900,000 still to raise.



### Our main achievements in 2017

During the first half of 2017 we focused on recruiting staff, management group members and formal partners in the four nations; setting up our evaluation and producing a baseline report with our evaluation partner, NDTi. We also continued to raise awareness of the loneliness of older people and how to address it through research, guidance and innovative services.

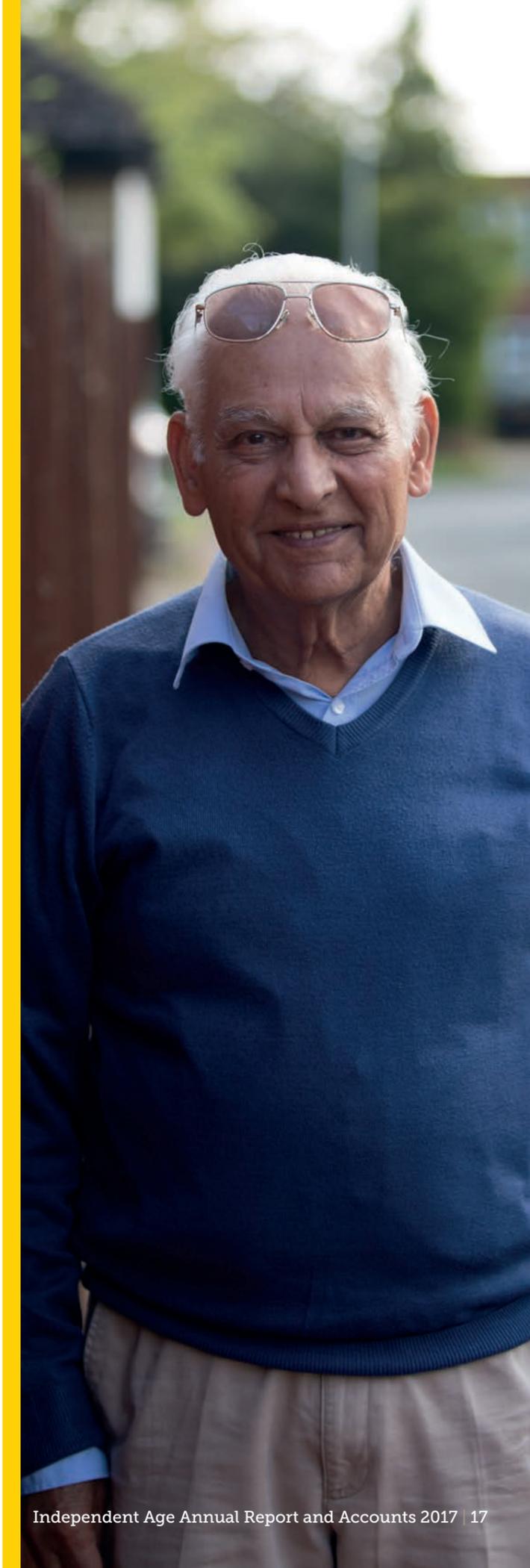
We then moved into a roll out of innovative new activities, including:

- Research showing the cost-effectiveness of loneliness interventions.
- A major conference for 200 people on innovations in loneliness.
- A public behaviour change campaign with a viral hit film, now viewed over 60 million times and leading to thousands of people joining the campaign as activists.
- Inspiring hundreds of people and organisations across the UK – particularly in the areas of Glasgow, Cambridgeshire, and Pembrokeshire and Carmarthenshire.

### Our priorities for 2018

The Campaign will:

- Launch Phase 2 of our public campaign and build a movement of partners and activists seeking to create connections for a positive later life.
- Create community-wide change in Belfast, Glasgow, Cambridgeshire, and Pembrokeshire and Carmarthenshire, testing and learning from our approaches to a cross-sectoral campaign.
- Inspire and lead businesses to create change.
- Grow an all-ages movement – inviting any organisation to join the Campaign to End Loneliness as a part of the legacy of the Jo Cox Commission on Loneliness.



## Financial review

### Investing for greater impact

#### Result for 2017

The Statement of Financial Activity on page 40 sets out the financial results as required by the Charity SORP. Overall the year saw a £12.5m increase in reserves primarily as a result of high returns from our investments, which is commented on further below. A simplified presentation of the financial outcome by activity is as follows:

	2017 £000	2016 £000
Net voluntary income	1,185	1,046
<b>Charitable activities</b>		
Information and Advice	3,418	3,011
Wellbeing	3,309	3,038
Campaigning	2,563	1,802
	<u>9,290</u>	<u>7,851</u>
Regular Payments and Grants: Increase in Provision*	425	1,085
<b>Expenditure on Charitable Activities</b>	<u>9,715</u>	<u>8,936</u>
<b>(Deficit) before returns from investments and pension gains/ (losses)</b>	<b>(8,530)</b>	<b>(7,890)</b>
Net investment Gains and Income	20,141	20,104
Net pension gain/loss	838	(1,065)
<b>Net Movement on Reserves</b>	<u><b>12,449</b></u>	<u><b>11,149</b></u>

(\*The Increase in the provision for regular payments and grants also includes the direct costs of managing and making payments to beneficiaries.)

### Net Voluntary Income

The net voluntary income increased by 13% as follows:

	2017 £000	2016 £000
Donations	626	669
Income from Trusts	1,041	670
Legacies	783	938
Events	30	32
	<u>2,480</u>	<u>2,309</u>
<b>Cost of Raising Voluntary Income</b>	<b>1,326</b>	<b>1,301</b>
<b>Other Income</b>	<b>31</b>	<b>38</b>
<b>Net Voluntary Income</b>	<u><b>1,185</b></u>	<u><b>1,046</b></u>

In 2017, we continued to invest in activities to generate support from individuals, charitable trusts, companies and community groups. Thousands of people supported us through a regular monthly gift, hundreds took up the challenge of a sponsored event and many made a wonderful contribution by including a gift to Independent Age in their Will.

### Expenditure on Charitable Activities

2017 saw an increase in expenditure of 18% from £7.85m in 2016 to £9.29m in 2017 resulting in greater impact being achieved by the charity as described in the strategic review above. Our charitable expenditure accounted for 84p of every £1 of spending in 2017, 83p in 2016. As previously noted, the budget for 2018 represents a further increase in expenditure.

We paid £1.3m (2016: £1.4m) in regular payments to older people. We do not enter into any new regular payment arrangements and no longer run a grants programme. The number of annuitants at the end of the year was 1,583 compared to 1,766 at the end of 2016. (See Note 16 to the accounts for further details on the provision in respect of these obligations).

### Investment Income and Capital Gains

The charity aims for a 3.9% return above inflation (measured by the Consumer Price Index) and having adopted a 'Total Return' investment policy uses both income and gains from investments to meet that target. Based on an opening balance on investments of £175.4m, CPI and cash drawdowns from the portfolio to fund activities, the investment policy would have expected to have generated a total return of around £12m. In the event, strong markets and active portfolio management achieved a higher return of £20.6m (£20.1m net of costs), of which £1.6m has been allocated to the endowed funds to maintain their value at CPI as required by the provisions of the Total Return Investment regulations.

## Summary

Our voluntary income grew from £2.3m in 2016 to £2.5m, with the net voluntary income increasing from £1.0m to £1.2m.

Expenditure on charitable activities (excluding the movement in the regular payments provision) grew by 18% from £7.9m to £9.3m as a result of expanding our work in line with our strategy.

The cost of providing for our historic commitments for regular payments increased by £0.4m (2016: £1.1m) as a result of the external change in the discount rate used to value our liability.

Investment gains and income performed well above the long-term real return of 3.9% and generated a total return of £20.1m (2016: £20.1m).

The accounting valuation of the defined benefit pension scheme resulted in an actuarial gain of £0.8m (2016: loss of £1.0m). Total funds therefore increased by £12.5m from £172.0m to £184.5m.

The Trustees have reviewed the reserves policy to ensure the charity will continue to increase its impact in line with the strategy.

The following sections explain our financial performance in more detail.

## Pension Schemes

Independent Age operates a defined contribution scheme for the majority of its staff.

In addition, the charity has one historical defined benefit scheme which is closed to new members and has a small number of active members. The accounting deficit on the scheme has fallen to £610k (2016: £2,167k). The most recent actuarial valuation at 30 September 2016 showed a deficit of a little under £3.0m and the Trustees have agreed a recovery plan with the Pension Trustees that is aimed at eliminating this deficit by June 2020.

## Reserves Policy

In 2015, we launched our ambitious five year strategy to significantly increase the impact of Independent Age through the expansion of our services, campaigns and public engagement activities. Three years on, and we now support more older people than ever before to stay independent and live well.

When the current strategy was initiated, the Trustees planned for a reduction in free reserves and set aside £25m for investment to support the strategy to achieve greater impact. In the event, stronger than average returns in the financial markets have seen an increase in reserves over the period. The Trustees recognise that the financial position resulting from the combination of the charity's heritage and sustained market gains over several years has placed the charity in a unique position to further increase activity and impact. We aim to continue to increase our charitable expenditure, grow our voluntary income and, together with trusted partners and funders, help reduce poverty, tackle inadequate care and combat loneliness in

later life. Given that by 2040, almost one in four people in the UK will be aged 65 or over, we have a huge and exciting task ahead of us.

As such, the Trustees have reviewed and updated the reserves policy to reflect these developments. The Trustees have two main objectives for the reserves policy:

- a policy that clearly demonstrates how the charity is using its reserves in furtherance of its objectives
- a policy which, given the inherent complexity presented by the reserves and supporting regulatory requirements, is as simple as possible.

In summary the key aspects of the updated policy are as follows:

- **Endowed Funds:** To use the income and gains from these funds for charitable activities whilst maintaining the underlying capital in real terms as required by charity regulation
- **Restricted Funds:** To use the funds on charitable activities in accordance with their restricted purposes
- **Unrestricted Funds:** a) to use free reserves held in the designated Future Impact Fund, together with voluntary income and revenue raised, to fund the charity's mission b) to use designated reserves to manage specific risks to the charity and c) to show separately those reserves which are represented by property or other capital assets and therefore cannot be considered to be 'free' reserves.

In accordance with our ambitions to deliver increased impact for older people and this policy, we will increase the broad range of quality information, expert one-to-one advice and regular contact we offer to vulnerable and lonely older people,

explore new service delivery opportunities, build on our policy and campaigning work, and inspire more people to support our work in whatever way they can. Trustees therefore anticipate that the charity will fully utilise the Future Impact Fund in the coming years, and this fund together with increased voluntary income, partnership working and funding will enable us to deliver greater impact for older people. Further explanation and detail of the reserves policy is set out below.

**Endowed Funds:** These are permanent endowments and Trustees are obliged to maintain the capital value in real terms; the Consumer Price Index (CPI) has been adopted as the benchmark. With the exception of funds that are associated with specific properties, the capital on these funds is invested to provide income for charitable activities. The Trustees have adopted a Total Return Investment policy in accordance with the Charity Commission Regulations so that both capital gains and income from investments can be treated as income. Any investment gains and income above CPI are transferred to the Unapplied Total Return Fund and then used to fund expenditure in the current year or immediate future. The investment policy is aimed at providing a real return of 3.9% over the long term and the charity therefore plans each year for approximately £2.2m to fund charitable activity from the return on the endowments.

Given this approach, the Unapplied Total Return Fund will normally be zero, unless investment returns are below CPI. Should any year experience a negative return, a negative balance will be held in the Unapplied Total Return Fund until such time as future returns on the investments eliminate the negative balance.

“ You reach a point when you know a lot of people who are kind to you and friendly to you and say nice things to you, but you haven't any one person to whom you are the priority because they've all gone. To me that's one of the absolute marks of old age. ”

**Restricted Reserves:** these are funds which the charity will spend on activities specified by the restrictions of the fund. Restricted funds are invested until such time as they are utilised and any capital gains or income are allocated to the fund.

**Unrestricted Reserves:** these are funds that Trustees have discretion on how they are used in furtherance of the charity's objectives. In accordance with the Charity Commission guidance, some of the funds are designated to mitigate the charity's financial risks and also to indicate which reserves are held in property and are therefore not available as 'free' reserves. The designations the Trustees have made are as follows:

**Future Impact Fund:** having set aside amounts to manage the financial risks of the charity, the balance of free reserves is held in the Future Impact Fund. Every day in the UK, older people and their families work hard to make ends meet, battle ill-health, and struggle to get good care, support and housing. Many face endless days, months or even years feeling completely alone. Our ambition is to use this fund, together with growth in voluntary income, to continue to expand the scale, scope and depth of our services, build meaningful relationships with the millions of people who connect with us, and sustainably grow our organisation in a way that supports not just today's older people, but the generations to come.

**The Endowment Funded Activity Protection Fund:** there is a risk that the endowed investments will generate a negative return. This would result in charitable activity being unfunded, potentially for a number of years. Having taken professional advice, which included modelling the impact of previous falls in markets and the Value at Risk (VAR) of the

investment portfolio, the Trustees have designated a fund equivalent to 35% of the endowments. This fund would be used to cover the gap in funding of charitable activities until the deficit on the Unapplied Total Return Fund, as a result of the negative returns, is eliminated.

**General Fund:** having reviewed the risks to the charity, the Trustees have designated a general fund equivalent to one year's charitable expenditure (other than the amount funded by the endowments and covered by the Endowment Funded Activities Protection Fund) to protect the activity of the charity.

**Tangible and Intangible Fixed Asset Fund and Investment Property Fund:** the purpose of these designated funds is to indicate the amount of reserves that are not available for expenditure as they are related to property or other capital assets. It is the intention of the charity to realise the value of the investment properties once the obligations to current tenants have been met in full.

Further detail on the funds is contained in Notes 18 and 19 to the accounts (pages 57-61).

## Investment Policy

Our Investment Policy provides the framework for the Trustees to manage the investment assets of the charity. This policy reflects both the current level of investments as well as the charity's aspiration to utilise unrestricted funds held in the Future Impact Fund to increase charitable activity through additional expenditure.

After utilising £7m of investment capital to fund activities during the year, the total value of our investments rose from £175.4m

in 2016 to £186.6m in 2017 due to strong markets and careful management. The composition of the investment portfolio at 31 December 2017 is set out in Note 12 to the Financial Statements.

The investment strategy is continually reviewed and during the year the Investment Sub-Committee recommended the use of a long-term investment in 'Infrastructure Funds' as an alternative to Fixed Income funds. This recommendation was agreed by the Trustees and an investment of £10m in a non-quoted infrastructure fund was made after the year end, funded by the liquidation of the Fixed Income investment. In addition after the year end, the investment in UK Equities-smaller companies was also liquidated in order to crystallise the past gains on the investment and increase the charity's liquidity given the uncertainty in investment markets.

The charity has adopted a Total Return Policy and the overall return for the year, a combination of income and capital growth, on the portfolio was 12.3% (2016: 10.7%) which is well ahead of the long-term target of CPI plus 3.9%.

The Trustees believe that it is their duty to ensure that the charity's investment policy and decisions are designed to achieve the best return that is consistent with an acceptable level of risk. The Trustees consider investment managers' ethical policies when selecting them and require they manage the investments in a responsible manner and maintain an active voting policy on behalf of the charity whenever possible. On behalf of the Trustees, the Investment Sub-Committee undertakes a Responsible Investment survey of its managers on a regular basis.



## SUMMARY STATEMENTS FOR THE CAMPAIGN TO END LONELINESS AND INDEPENDENT AGE

	2017			2016		
	Campaign to End Loneliness £000	Independent Age* £000	Total Charity £000	Campaign to End Loneliness £000	Independent Age* £000	Total Charity £000
<b>Summary Statement of Financial Activities</b>						
Income	794	5,323	6,117	211	6,647	6,858
Expenditure	798	10,748	11,546	438	10,384	10,822
Operating (Deficit)/Surplus	(4)	(5,425)	(5,429)	(227)	(3,737)	(3,964)
Gains on investment assets	0	16,993	16,993	0	16,122	16,122
<b>Net Income</b>	<b>(4)</b>	<b>11,568</b>	<b>11,564</b>	<b>(227)</b>	<b>12,385</b>	<b>12,158</b>
Other recognised gains/(losses)	0	885	885	0	(1,009)	(1,009)
Net movement in Funds	(4)	12,453	12,449	(227)	11,376	11,149
Transfer of funds	112	(112)	0	206	(206)	0
Balance brought forward 1 January	90	171,945	172,035	111	160,775	160,886
Fund balances carried forward at 31 December	198	184,286	184,484	90	171,945	172,035
<b>Summary Balance Sheet</b>						
Fixed assets	0	191,498	191,498	0	181,382	181,382
Current Assets	240	2,322	2,562	90	2,403	2,493
Creditors falling due within one year	(42)	(1,801)	(1,843)	0	(1,757)	(1,757)
<b>Total assets less current liabilities</b>	<b>198</b>	<b>192,019</b>	<b>192,217</b>	<b>90</b>	<b>182,028</b>	<b>182,118</b>
Creditors falling due after one year	0	(7,123)	(7,123)	0	(7,916)	(7,916)
Net assets excluding pension liability	198	184,896	185,094	90	174,112	174,202
Defined pension liability	0	(610)	(610)	0	(2,167)	(2,167)
<b>Net assets including pension liability</b>	<b>198</b>	<b>184,286</b>	<b>184,484</b>	<b>90</b>	<b>171,945</b>	<b>172,035</b>
Endowed funds	0	57,210	57,210	0	64,391	64,391
Restricted funds	198	19,967	20,165	90	20,105	20,195
Designated funds	0	92,562	92,562	0	61,233	61,233
General funds	0	14,547	14,547	0	26,216	26,216
<b>Total Funds</b>	<b>198</b>	<b>184,286</b>	<b>184,484</b>	<b>90</b>	<b>171,945</b>	<b>172,035</b>
<b>Summary Cashflow</b>						
<b>Operating income</b>	<b>(4)</b>	<b>11,568</b>	<b>11,564</b>	<b>(227)</b>	<b>12,385</b>	<b>12,158</b>
Non cash movements	5	(21,317)	(21,312)	0	(21,614)	(21,614)
Net cash flow generated (used) by operating activities	1	(9,749)	(9,748)	(227)	(9,229)	(9,456)
Net purchase of fixed assets	0	(98)	(98)	0	(124)	(124)
Net sale of investments	0	5,792	5,792	0	5,249	5,249
Net income from investments	0	3,606	3,606	0	4,510	4,510
Transfer of funds	112	(112)	0	206	(206)	0
<b>Net cash flow</b>	<b>113</b>	<b>(561)</b>	<b>(448)</b>	<b>(21)</b>	<b>200</b>	<b>179</b>
Cash and cash equivalents at 1 January	90	1,090	1,180	111	890	1,001
<b>Cash and cash equivalents at 31 December</b>	<b>203</b>	<b>529</b>	<b>732</b>	<b>90</b>	<b>1,090</b>	<b>1,180</b>

\*For the purposes of this table, Independent Age represents the Charity's activities excluding the Campaign to End Loneliness. It should also be noted that this is a memorandum statement. It does not reflect either the legal or trust accounting status but is used to differentiate between the operational divisions within the charity.

## Summary Statements for the Campaign to End Loneliness and Independent Age

The results of Independent Age include those for the Campaign to End Loneliness. Independent Age hosts the Campaign, manages and employs its staff and maintains oversight of the delivery of its strategy which for accounting and charity regulatory purposes constitutes control. Given the discrete funding of this activity and the relationship with its supporters the table summarises the financial activities of the Campaign.

## GOVERNANCE

### Legal structure

Independent Age is the operating name of The Royal United Kingdom Beneficent Association (RUKBA) – registered as a charity by the Charity Commission for England and Wales (210729). The charity was established in 1863 and is incorporated by Royal Charter, which sets out our objects, powers and bye-laws.

The latest Supplementary Royal Charter came into force in August 2014. In February 2017, the charity was registered with the Office of the Scottish Charity Regulator (SC047184).

All financial regulations and procedures adopted by the charity must comply with the relevant stipulations of the Royal Charter. These cover matters such as:

- limitation on private benefits for Trustees, such as paid employment with the charity
- terms of office
- arrangements for the appointment of external auditors.

“ I use your information booklets and advice leaflets in my work, and have found everything to be of great assistance with my patients. ”



The Campaign to End Loneliness operates as a department of Independent Age and is advised by a widely-drawn Management Committee that reflects the breadth of like-minded organisations that support its work. The Campaign has no legal identity separate from that of Independent Age and the Trustees of Independent Age are legally responsible for the activity of the Campaign.

Independent Age is the sole legal member of Counsel and Care for the Elderly, a charitable company limited by guarantee registered in England and Wales (charity number 203429, company number 00645708). The charity is also responsible for a number of other linked charities, namely the FE Cobbold Trust Fund, Backsettown Endowed Charity, and the Wharton and Wittrick Fund.

The charity has a wholly-owned trading subsidiary – Independent Age Enterprises Limited (company number 04735201).

The company is used to transact non-charitable activities and has been registered for VAT.

The results of Counsel and Care and Independent Age Enterprises Limited are not consolidated because actual expenditure or financial impact of both subsidiaries are immaterial in the context of the Charity. Details of Counsel and Care can be found on the Charity Commission website, a summary of results is shown in Note 12 and Note 20 to the Financial Statements. Summary trading results for Independent Age Enterprises Limited are shown in Note 12 to the Financial Statements.

### Risk management

We have a risk management process which allows the Board to monitor and manage risks to the charity.

The Board considers that the principal risks facing the charity are:

- **Safety and safeguarding:** the risk that an older person receiving a service from the charity or one of our staff or volunteers suffers serious harm. We manage this risk through the implementation of effective safeguarding and whistleblowing policies, procedures and compulsory training plus effective management of our staff and volunteers.
- **Reputation:** the risk that the charity suffers serious damage as a consequence of the actions of its staff (eg in providing inappropriate advice), volunteers, Trustees, or its broader work (eg policy and campaigning). We manage this risk by ensuring that we have rigorous quality standards in place for our work; clear policies and sign-off procedures for our external communications; and good governance arrangements (eg declarations of interest and anti-bribery/anti-fraud policies) to ensure legal and regulatory compliance. Our governance also ensures that we minimise the risk that the charity does not deliver its objectives through the development of a clear strategy and plans.
- **Organisational effectiveness:** the risk that we fail to deliver our ambitious targets and make a credible impact through our work. We evaluate our performance through key performance indicators (which include feedback from older people, their carers and

families), detailed evaluation frameworks and quality assurance, and we invest in training and development for our staff. We continuously review and improve processes and systems through investment in a programme of projects.

- **Data management:** the risk that we breach data protection legislation and in doing so cause harm to a service user, supporter, member of staff, Trustee or the charity as a whole. We manage this risk through implementing effective IT and data security policies and procedures which are regularly reviewed in the light of regulatory changes, including the General Data Protection Regulations which are due to come into force in 2018.
- **Financial:** we are reliant on our investments to fund a large proportion of our work and we must expect that there will be times when we suffer significant falls in income and/or capital. These could endanger the ability of the charity to fund its work in the medium-term. We manage this risk by adopting a long-term total return approach to investment management supported by a reserves policy to manage short-term risks.

We are actively seeking to increase our activities and reduce our reliance on investments by growing the level of fundraised income we receive.

### Trustees

At 31 December 2017, the Board had 14 Trustees.

Charter Members elect all Trustees, except the Chairman and Treasurer, who are elected by the Board of Trustees from their number.



The Board periodically appoints new Charter Members. The Board met five times in 2017 including a strategy awayday in July.

There are three committees that have delegated authority and report to the Board. These are:

- **Services Development Committee (SDC):** is responsible for oversight of the development and growth of our services in support of our strategy. The SDC met six times during 2017.
- **Finance and Resources Committee (FRC):** reviews budget and planning proposals and ensures that we have effective arrangements in place to safeguard and manage the charity's resources. It also oversees our pensions, external audit and risk management arrangements. The FRC meets quarterly. It has one sub-committee, the Investment Sub-Committee
- **Nominations Committee:** reviews the structure, size and composition of committees of the Board and sub-committees, as well as succession planning of Trustees. It also makes recommendations to the Board for the appointment of all new Trustees and the Chief Executive.

In addition to the above committees, there is one sub-committee of the FRC:

- **Investment Sub-Committee (ISC):** monitors the performance of the charity's investments and managers and makes recommendations in respect of the investment strategy. The ISC meets at least quarterly.

The Board reviews the terms of reference of all committees and sub-committees annually.

Trustees are recruited by the Board through an open recruitment and selection process.

All Trustees receive an induction pack and training, so that they are aware of all key policies and procedures, and meet with key staff (including Directors) soon after they are co-opted to the Board. Trustees are required to abide by our code of conduct, including the declaration of other interests, and fit and proper person assurance.

## Management

The Board delegates day-to-day management of the charity to the Chief Executive and the Senior Management Team (SMT). The SMT develops strategies and plans for the Board to scrutinise and approve. The Board subsequently monitors and reports on performance against targets.

In 2017 the charity was organised into four divisions, in addition to the Chief Executive's small team.

The divisions are:

- **Services:** delivers our core services for older people, including the Helpline, information provision, and Friendship Services. It is our largest directorate, employing over half of our staff.
- **Policy and Public Affairs:** is responsible for delivering our policy, campaigning work and research.
- **Engagement:** during 2017, the marketing, communications and fundraising teams came together in a new division with a long-term goal to grow our number of supporters and the number of ways in

which they engage with Independent Age.

- **Resources:** comprises our support services, specifically finance, information technology, people and organisational development, property and office management.

## Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Management Team (SMT) comprise the Key Management Personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in Note 20 to the Financial Statements.

The charity benchmarks remuneration of its SMT against comparable roles in other charities of a similar size and complexity, within a specified pay band. If recruitment has proven difficult in the recent past, a market addition may be paid to a maximum no greater than the highest benchmarked salary for a comparable role. Each member of the SMT receives an annual cost of living salary increase, which takes into account inflation, changes in national average earnings and pay awards elsewhere in the charity or public sector. The award is made subject to affordability and is paid at the same rate as applied to all other eligible staff in the charity.



“ I am so utterly glad I am doing this for Independent Age. I think if more people knew about this charity, they too would volunteer. ”

## DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees in office at the date of approval of this Trustees' Annual 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 the information.

## PUBLIC BENEFIT

The public benefit of the charity is set out in our mission to enable older people to stay independent and live well with dignity, choice and control. Our work benefits thousands of older people – and their families and carers – across the UK. Our Helpline and information resources also benefit those who work with older people. All our services are free and without restriction, although our Friendship Services are specifically provided for older people who are lonely or isolated. In setting our objectives and planning activities for the year, the Board of Trustees confirms that it has considered the Charity Commission's guidance on public benefit and considers that Independent Age clearly satisfies the public benefit test.

## TRUE AND FAIR VIEW

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following

the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

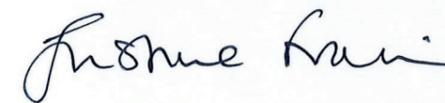
## TRUSTEES' RESPONSIBILITIES

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 and Scotland, 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 2015 FRS 102
- make judgements and estimates that are reasonable and prudent
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the transactions of the charity and the group, and disclose with reasonable accuracy, at any time, the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) regulations 2006 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on  
6 June 2018 and signed on its behalf by:



Dr Justine Frain  
Chair of the Board of Trustees



# Independent auditors' report to the Trustees of Independent Age

## Opinion

We have audited the financial statements of Independent Age (the 'charity') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017, and of its incoming resources and application of resources, 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 the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

## Other information

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

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

information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

## Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement (set out on pages 30-31), the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going

# Administrative information

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 154 of the Charities Act 2011 and under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*MHA MacIntyre Hudson*

MHA MacIntyre Hudson  
Chartered Accountants and Statutory Auditor  
New Bridge Street House,  
30-34 New Bridge Street  
London, EC4V 6BJ

Date: *22 June 2018*

MHA MacIntyre Hudson is eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## Charity information

Independent Age is the operating name of The Royal United Kingdom Beneficent Association (RUKBA).

It is registered in England and Wales with the Charities Commission under charity number 210729 and has been entered on the Scottish Charity Register under charity number SC047184 as of 17 February 2017.

## Royal Patron

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

## Patrons

The Moderator of the General Assembly of the Church of Scotland

The Free Churches' Moderator

The Cardinal Archbishop of Westminster

## Vice President

William Underwood

## Board of Trustees

Dr Justine Frain (Chair from February 2018)

John Hannaford (Treasurer)

Tracey Bleakley (from June 2017)

Dame Diana Brittan DBE (Chair until June 2017)

Jo Cleary (Chair from June 2017 to February 2018)

Mike Craston

Vivienne Dews

Judge Marc Dight (until June 2017)

Prof Martin Green OBE

Richard Gutch

Simon Inchley (from June 2017)

Estelle McCartney

Paul Richardson

Noel Shanahan (from June 2017)

Dame Helena Shovelton

James Steel

Ian Watson (until June 2017)

Denise Wilkinson OBE

## Senior Management Team

Janet Morrison, Chief Executive

Simon Bottery, Director of Policy and External Relations (until 30 September 2017)

Lucy Harmer, Director of Services

John Scarisbrick, Interim Director of Resources (from 3 January to 11 August 2017)

John Tranter, Director of Resources (from 6 March 2017)

Biagio Borromeo, Director of Engagement (from 3 April 2017)

George McNamara, Director of Policy and Public Affairs (from 5 March 2018)

# Charter Members

as at 31 December 2017

## PROFESSIONAL ADVISERS

### Independent auditors

MHA MacIntyre Hudson LLP  
New Bridge Street House  
30-34 New Bridge Street  
London EC4V 6BJ

### Principal bankers

National Westminster Bank PLC  
Fleet Street (B) Branch  
PO Box 281  
156 Fleet Street  
London EC4A 2DX

### Insurance broker

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

### Solicitors

Bates Wells Braithwaite London LLP  
10 Queen Street Place  
London EC4R 1BE

### Investment advisors

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

### Investment managers

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

Cazenove Capital Management  
12 Moorgate  
London EC2R 6DA

CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA

BlackRock Inc.  
60 Sloane Avenue  
Chelsea  
London SW3 3XB

Lindsell Train Limited  
5th Floor  
66 Buckingham Gate  
London SW1E 6AU

Vanguard Asset Management Limited  
25 Walbrook  
London EC4N 8AF

Charter Members are appointed when an application, which may have been invited by the Trustees, has been approved by the Trustees. Trustees are appointed Charter Members for the period of their trusteeship only.

At each Annual General Meeting, the Charter Members shall resolve on the appointment or reappointment of Trustees who have been nominated by the Trustees, and the appointment of the Auditors.

**1986** Mr L V Adamson

**2003** Mr U D Barnett

**2010** Ms E C Best

**2017** Ms T Bleakley

**1995** Miss M C L Boggis

**2006** Mr R D H Bryce

**2009** Mr S Burke

**2009** Mr P Cann

**2005** Mrs J M Casimir

**2008** Ms S Collins

**2016** Mr M Craston

**2012** Ms M Dangoor

**2012** Mr T Dennis

**2016** Mrs V Dews

**2003** Mr N G E Driver

**2003** Mr P W Fane

**2012** Mrs F Findlay

**2011** Dr J Frain

**2009** Prof M Green OBE

**2009** Mr R Gutch

**2016** Mr J Hannaford

**2004** Mr M A Hayes

**1996** Miss D A K Hayman

**2012** Miss P Hibbs

**2012** Miss D Hodson

**1999** Mr A M Hogg

**2006** Mr T J Howe

**1990** Dr T G Hudson

**2005** Mrs F C Hughes

**2008** Mr R Humphries

**2017** Mr S Inchley

**2012** Stella Kyriazis, Countess Caridi

**2009** Mrs C Loyd

**1986** Mrs I Macdonald

**2013** Ms E McCartney

**2017** Ms H Mustafa

**2010** The Rt. Hon. the Baroness Neuberger

**2002** Mrs P A O'Brien

**2012** Mr G Patterson

**1985** Mr P G Pollock

**2004** Mr H M Priestley

**1989** Mr W Rathbone OBE

**2016** Mr P Richardson

**2013** Ms L Romeo

**2017** Mr N Shanahan

**2014** Dame Helena Shovelton

**2013** Mr J Steel

**1985** Mr J G Tregoning

**1999** Mr W G Underwood

**2010** Mrs D Wilkinson OBE



# Financial statements

Charity statement of financial activities

Charity balance sheet

Charity statement of cash flows

Notes to the financial statements

# Statement of Financial Activities

for the year ended 31 December 2017

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Year to 31 December 2017 Total funds £000	Year to 31 December 2016 Total funds £000
<b>Income and endowments from:</b>						
Donations and legacies	2	1,504	946	-	2,450	2,277
Raising funds – events		30	-	-	30	32
Investment income	3	1,835	423	1,348	3,606	4,511
<b>Other income</b>						
Other income		31	-	-	31	24
Surplus from property sales	11	-	-	-	-	14
<b>Total income and endowments</b>		<b>3,400</b>	<b>1,369</b>	<b>1,348</b>	<b>6,117</b>	<b>6,858</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Raising voluntary income	4	1,326	-	-	1,326	1,301
Investment and property management		233	54	171	458	529
Total cost of fundraising		<b>1,559</b>	<b>54</b>	<b>171</b>	<b>1,784</b>	1,830
<b>Charitable activities</b>						
Information and Advice	4	2,494	924	-	3,418	3,011
Wellbeing	4	3,309	-	-	3,309	3,038
Campaigning	4	1,765	798	-	2,563	1,802
Regular Payments and Grants	4 & 16	390	35	-	425	1,085
Total cost of charitable activities		<b>7,958</b>	<b>1,757</b>	-	<b>9,715</b>	8,936
<b>Other expenditure</b>						
Pension – net interest cost	17	47	-	-	47	56
<b>Total expenditure</b>		<b>9,564</b>	<b>1,811</b>	<b>171</b>	<b>11,546</b>	10,822
<b>Operating (deficit)/surplus</b>		<b>(6,164)</b>	<b>(442)</b>	<b>1,177</b>	<b>(5,429)</b>	(3,964)
Gains on investment assets	12	8,652	1,991	6,350	16,993	16,372
Impairment in value of investment properties	10	-	-	-	-	(250)
<b>Net income</b>		<b>2,488</b>	<b>1,549</b>	<b>7,527</b>	<b>11,564</b>	12,158
Transfers between funds		16,287	(1,579)	(14,708)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gain/(loss) on defined benefit pension scheme	17	885	-	-	885	(1,009)
<b>Net movement in funds</b>		<b>19,660</b>	<b>(30)</b>	<b>(7,181)</b>	<b>12,449</b>	11,149
Fund balances brought forward at 1 January		87,449	20,195	64,391	172,035	160,886
<b>Fund balances carried forward at 31 December</b>	18	<b>107,109</b>	<b>20,165</b>	<b>57,210</b>	<b>184,484</b>	<b>172,035</b>

All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above. Notes 1 to 22 form part of the financial statements.

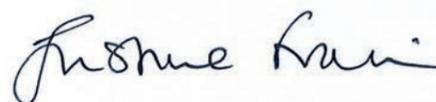
Comparatives for 2016 of the above Statement of Financial Activities are shown in Note 22.

# Balance Sheet

as at 31 December 2017

	Notes	2017 Total funds £000	2016 Total funds £000
<b>Fixed assets</b>			
Tangible assets	8	2,201	2,299
Intangible assets	9	278	500
Investment properties	10	2,300	3,055
Investments	12	186,610	175,408
Concessionary loans	13	109	120
<b>Total fixed assets</b>		<b>191,498</b>	181,382
<b>Current assets</b>			
Assets held for sale	11	755	-
Debtors	14	1,075	1,313
Short-term deposits		89	89
Cash at bank and in hand		643	1,091
<b>Total current assets</b>		<b>2,562</b>	2,493
Creditors: amounts falling due within one year	15	(1,843)	(1,757)
<b>Net current assets</b>		<b>719</b>	736
<b>Total assets less current liabilities</b>		<b>192,217</b>	182,118
Creditors: amounts falling due after more than one year	16	(7,123)	(7,916)
<b>Net assets excluding pension liability</b>		<b>185,094</b>	174,202
Defined benefit pension liability	17	(610)	(2,167)
<b>Net assets including pension liability</b>		<b>184,484</b>	<b>172,035</b>
<b>The funds of the charity</b>			
Endowed funds	18	57,210	64,391
Restricted funds		20,165	20,195
<b>Unrestricted funds</b>			
Designated funds		92,562	61,233
General fund		14,547	26,216
Total unrestricted funds		<b>107,109</b>	87,449
<b>Total charity funds</b>		<b>184,484</b>	<b>172,035</b>

Approved by the Board of Trustees and authorised for issue on 6 June 2018 and signed on their behalf by:



Dr Justine Frain  
Chair

Notes 1 to 22 form part of the financial statements.

# Statement of Cash Flows

for the year ended 31 December 2017

	Note	2017 £000	2016 £000
<b>Net cash outflow from operating activities</b>	21	<b>(9,748)</b>	(9,456)
Net cash used in operating activities			
<b>Cash flow from investing activities</b>			
Payments to acquire tangible fixed assets	8	(41)	(115)
Payments to acquire intangible fixed assets	9	(57)	(183)
Receipts from sales of Assets Held for Sale	11	-	174
Payments to acquire investments	12	(18,849)	(114,525)
Receipts from sales of investments and cash transfers		24,641	119,774
Dividends received	3	430	549
Interest received	3	3,097	3,878
Rents received from investment properties	3	79	83
<b>Net cash flow from investment activities</b>		<b>9,300</b>	9,635
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(448)</b>	179
Cash and cash equivalents at 1 January		1,180	1,001
<b>Cash and cash equivalents at 31 December</b>		<b>732</b>	1,180
		<b>2017</b>	2016
		<b>£000</b>	£000
Cash and cash equivalents		643	1,091
Short term deposits		89	89
<b>Cash and cash equivalents</b>		<b>732</b>	1,180

Cash and cash equivalents includes £203k (£90k in 2016) of funds held in respect of the Campaign to End Loneliness.

Notes 1 to 22 form part of the financial statements.

# Notes to the Financial Statements

for the year ended 31 December 2017

## 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows.

### a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (Charities SORP) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014) – Charities SORP FRS102, and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Statement of Financial Activities and Balance Sheet do not include the financial statements of Counsel and Care for the Elderly (Counsel and Care) – a registered charity (203429), and a limited company (645708); and Independent Age Enterprises Limited (IAE Ltd) – a limited company number 04735201. For the purposes of the financial statements, Independent Age is deemed to control 100% of Counsel and Care as it is the sole legal member. Similarly, Independent Age is the sole shareholder of Independent Age Enterprises Limited which became operational on 1 January 2017. However, actual income and expenditure or financial impact of both subsidiaries are immaterial in the context of the Charity, therefore their results are not consolidated. In the prior accounting period the financial performance of Counsel and Care for the Elderly was more significant and therefore the 2016 Financial Statements were consolidated. For the avoidance of doubt the comparatives in these Financial Statements are those for the Charity only. Details of Counsel and Care for the Elderly can be found in the Charity Commission website, a summary of results is shown in Note 12 and Note 20. Summary trading results for IAE Ltd are shown in Note 12.

The charity has been entered on the Scottish Charity Register (Charity Number: SC047184) as of 17 February 2017.

Independent Age meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are presented in Sterling and rounded to the nearest thousand.

### b) Fund accounting

Independent Age has a number of discrete funds which are grouped by type as shown below:

#### *Endowed funds*

These are funds normally arising as a result of a will which contained restrictions on the retention of the capital value and disposal of any income.

The General Endowment Fund was created by the Supplementary Royal Charter which came into effect on 1 August 2014.

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

As shown in Note 1c) below, the Trustees are required to maintain the capital of these funds, but they may choose to spend some or all of the Unapplied Total Return – see Note 18.

#### **Restricted funds**

These are funds that can be spent, at the discretion of the Trustees, on particular restricted purposes within the objects of Independent Age. Restrictions arise when specified by the donor, as modified by any Charity Commission scheme, or when funds are raised for particular purposes.

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

#### **Unrestricted funds**

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

##### **Designated funds**

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

##### **General Fund**

This Fund represents the charity's free reserves equivalent to one year's charitable expenditure, other than the amount funded by the endowments and designated funds, to protect the activity of the Trust.

Further details of the charity's funds are disclosed in Note 18.

#### **c) Total Return Accounting**

Independent Age adopted Total Return accounting for its permanent endowed funds with effect from 1 January 2015. This adoption is permitted for the General Endowment Fund by virtue of the Byelaws to the Supplementary Royal Charter 2014 and for the other permanent endowed funds through the resolutions relating to the other funds passed by the Board of Trustees in December 2014.

The Trustees are required to maintain the capital of the permanent endowed funds in real terms by making a transfer from the Unapplied Total Return equal to the increase in Consumer Price Index (CPI) from the base point to the Balance Sheet date. Any amounts remaining after this transfer in the Unapplied Total Return will be applied to income funds or retained as the Trustees see fit. Any income funds not disbursed in the financial year are retained as Unapplied Total Return.

#### **d) Income recognition**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date or on a receipts basis if earlier. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the estimated amount and probable settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Returns on accumulation units held in pooled funds, which are reinvested by default, are included within 'Gains on investment assets'.

#### **e) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis inclusive of any VAT. The charity is not registered for VAT so is unable to recover any of the tax paid, therefore costs include VAT where applicable.

IAE Ltd is registered for VAT so is able to recover VAT incurred on business activities. Income and expenditure of IAE Ltd is, therefore, accounted for on an accruals basis net of VAT.

Expenditure on raising funds comprises investment and property management fees and the direct costs of raising voluntary income where not included within charitable activities.

Charitable activities comprises direct expenditure, including 20% of the total costs of raising voluntary income invested in generating funds in furtherance of the objects of the charity for information and advice, and a proportion of the support costs.

Support and indirect costs have been allocated to governance costs and other support costs. Governance costs comprise all expenditure involving the public accountability of the charity and its compliance with regulation and good practice. These costs include some legal fees, plus the costs of Trustees' and Charter Members' meetings, and the costs of compliance such as audit fees. Support costs (including Governance costs) are allocated to the costs of Raising Funds and Charitable Activities on the basis of the numbers of staff engaged in each of these elements. This allocation is reviewed annually.

#### **f) Tangible and intangible assets**

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

The costs of implementing computer software designed to improve the handling of data within the charity, with a consequent cost savings benefit, have been capitalised as Intangible Assets.

Depreciation/amortisation is calculated and charged to the Statement of Financial Activities on a quarterly basis commencing in the first full quarter after the asset was acquired/came into use.

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

#### Tangible assets

##### *Plant and machinery:*

Electrical installations	10 to 25 years
Mechanical installations	10 to 25 years
Architectural components	20 to 30 years
Lift	15 years

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

##### *Fixtures, fittings and equipment:*

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

##### *Buildings:*

Freehold buildings	50 years
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No value has historically been recorded for freehold land owned by the charity as it cannot be practically measured.

#### Intangible assets

Computer software	3 years
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Representing the useful economic life of the assets.

#### g) Investment Properties

The Board of Trustees determined in February 2014 that all property not required for operational purposes should be disposed of at the appropriate time. Prior to sale these properties are treated as investment properties. Investment properties are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. Fair value is ascertained either by an independent valuer or reference to movements in the market value of similar properties.

Surpluses on the sale of properties are taken to the Statement of Financial Activities as they are realised. Unrealised gains and losses on revaluation of investment properties are shown in the Statement of Financial Activities.

Properties for sale at the Balance Sheet date are reported as Assets Held For Sale within current assets.

#### h) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price. All gains and losses are taken to the Statement of Financial Activities as they arise. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. As investments are revalued continuously to fair value, no realised gains or losses arise.

The charity does not acquire or hold put options, derivatives or other complex financial instruments.

#### i) Financial Instruments

The charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

**Debtors** – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 14. Prepayments are not financial instruments.

**Cash at bank** – is classified as a basic financial instrument and is measured at face value.

**Liabilities** – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 15. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

#### j) Concessionary loans

These are amounts that were awarded to further the charity's purposes as loans to individual beneficiaries who were leaseholders or freeholders of their property, mainly for household repairs and maintenance. The practice of awarding such loans was ended in May 2014 and no further loans will be made.

A provision for non-repayment is made against the aggregate value of loans issued and is reviewed annually. This has been calculated as 67% [2016: 67%] based on past experience of repayments and on management's current expectations. Loans are written off when there is no realistic prospect of any further recovery and are treated as charitable expenditure. The loans are not subject to interest charges. It is expected that loans will be repaid when the beneficiary has the capital available or from the beneficiary's estate on the death of the member.

#### k) Regular payments

The estimated net present value of the regular payments to Independent Age's beneficiaries is treated as a long-term liability. The long-term provision is calculated using life expectancy tables to determine the period for which the regular payments may be made. The commitment is discounted using the iBoxx 10 year Sterling Non-Gilt Bond index. The movement on the regular payments provision is included within Regular Payments and Grants costs in the Statement of Financial Activities. The movement in the year includes the un-winding of the discount factor used to estimate the current value of future commitments.

#### l) Pensions

Independent Age operates a defined benefits (final salary) pension scheme, which is closed to new members. The current service costs of the scheme, together with the interest cost less the expected return on assets for the year, are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses are recognised immediately after net income/expenditure as other recognised gains and losses. Further details are provided in Note 17.

The assets of the scheme are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit pension asset or liability is presented separately after other net assets on the face of the Balance Sheet.

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

#### m) Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the Balance Sheet date are translated using the closing rate.

#### n) Taxation

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

No corporation tax is payable by IAE Ltd as there were no taxable profits made in the year.

## 2 Donations and Legacies

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2017 £000	2016 £000
Donations	622	4	-	626	669
Income from Trusts	99	942	-	1,041	670
Legacies	783	-	-	783	938
	<b>1,504</b>	<b>946</b>	<b>-</b>	<b>2,450</b>	<b>2,277</b>

Income from Trusts includes £789,336 (2016:£211,300) in restricted funds relating to the Campaign to End Loneliness of which £749,336 was received from Big Lottery Fund.

## 3 Investment income

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2017 £000	2016 £000
Fixed interest income	214	52	164	430	546
Dividend income	1,542	371	1,184	3,097	3,879
Sub total – Investments	1,756	423	1,348	3,527	4,425
Investment property rental income	79	-	-	79	83
Bank deposit interest	-	-	-	-	3
	<b>1,835</b>	<b>423</b>	<b>1,348</b>	<b>3,606</b>	<b>4,511</b>

## 4 Expenditure allocations

	Raising Voluntary Income £000	Information and Advice £000	Wellbeing £000	Campaigning £000	Regular Payments and Grants £000	Marketing and Comms £000	TOTALS £000
Staff costs	467	924	1,510	711	12	626	4,250
Non staff costs	822	741	264	556	403	565	3,351
Sub total – Direct costs	1,289	1,665	1,774	1,267	415	1,191	7,601
Support costs	368	762	1,205	636	10	460	3,440
Sub total – All costs	1,657	2,427	2,979	1,903	425	1,651	11,041
Reallocation – Fundraising	(331)	331	-	-	-	-	-
Reallocation – Marketing and Comms	-	660	330	660	-	(1,651)	-
<b>Sub total allocated costs</b>	<b>1,326</b>	<b>3,418</b>	<b>3,309</b>	<b>2,563</b>	<b>425</b>	<b>-</b>	<b>11,041</b>
Investment and property management							458
Pension – Other finance expenditure							47
<b>Total expenditure</b>							<b>11,546</b>
<b>2016</b>							
Total allocated costs	1,301	3,011	3,038	1,802	1,085	-	10,237
Investment and property management							529
Pension – Other finance expenditure							56
<b>Total expenditure</b>							<b>10,822</b>

Direct Campaigning costs include £797,944 (2016: £239,637) relating to the Campaign to End Loneliness. On behalf of the partnership of all five organisations on the "management group", Independent Age has taken on responsibility to employ the staff and manage the budget of the Campaign to End Loneliness, which is subject to the charity's financial policies and procedures. This includes monthly reviews of management accounts and reporting to the funders on a regular basis.

Support Costs	Staff costs £000	Non staff costs £000	Total 2017 £000	Total 2016 £000
Chief Executive's Office	204	80	284	223
Director of Resources	229	100	329	224
Facilities	55	280	335	348
ICT	379	792	1,171	940
HR	275	592	867	955
Finance	289	108	397	374
Governance	-	57	57	101
<b>Allocated</b>	<b>1,431</b>	<b>2,009</b>	<b>3,440</b>	<b>3,189</b>

Governance Costs	2017 £000	2016 £000
External audit fees including Counsel and Care	34	33
Legal and other professional fees	3	52
Trustee recruitment fees	12	12
Trustees' meetings including expenses and AGM	8	4
<b>Total Governance costs</b>	<b>57</b>	<b>101</b>

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

The charity indemnifies every Trustee in respect of any liability arising from or in respect of the charity.

## 5 Staff costs and employee benefits

	2017 £000	2016 £000
Salaries	4,519	3,893
Temporary staff costs	346	350
Employer National Insurance	476	415
Employer pensions contributions	340	333
	<u>5,681</u>	<u>4,991</u>

Total remuneration of the Key Management Personnel (which comprise the Trustees with the Senior Management Team comprising the Chief Executive and Directors), including pension and national insurance contributions, was £619,124 (2016: £495,696).

No Trustees received nor waived any remuneration.

In addition to the above salary costs, redundancy and termination payments totalling £208,361 (2016: £124,267) were made. Costs arose due to a restructuring of the charity to ensure we had the right structures in place to deliver our ambitious strategy 2017-2020.

## 6 Average monthly staff numbers

	2017	2016
Information and Advice (including Regular Payments and Grants)	21	21
Wellbeing	36	36
Campaigning	18	10
Fundraising	10	9
Marketing and Communications	12	12
Support	20	21
	<u>117</u>	<u>109</u>

## 7 Number of employees with total emoluments (excluding pensions) of more than £60,000

	2017	2016
£60,001 – £70,000	6	4
£70,001 – £80,000	1	0
£80,001 – £90,000	2	2
£90,001 – £100,000	1	2
£100,001 – £110,000	1	0
£110,001 – £120,000	1	1
	<u>12</u>	<u>9</u>

## 8 Tangible fixed assets

	Freehold Buildings £000	Plant and Machinery £000	Fixture, Fittings and Equipment £000	TOTALS £000
<b>Cost</b>				
As at 1 January 2017	1,205	1,119	501	2,825
Additions	10	-	31	41
TOTAL	<u>1,215</u>	<u>1,119</u>	<u>532</u>	<u>2,866</u>
<b>Depreciation</b>				
As at 1 January 2017	50	133	340	523
Depreciation charge in the year	24	56	62	142
TOTAL	<u>74</u>	<u>189</u>	<u>402</u>	<u>665</u>
<b>Net book value</b>				
As at 31 December 2017	<u>1,141</u>	<u>930</u>	<u>130</u>	<u>2,201</u>
As at 31 December 2016	<u>1,154</u>	<u>986</u>	<u>159</u>	<u>2,299</u>

## 9 Intangible fixed assets

	Computer Software £000	TOTALS £000
<b>Cost</b>		
As at 1 January 2017	692	692
Additions	57	57
Impairment in value	(107)	(107)
TOTAL	<u>642</u>	<u>642</u>
<b>Amortisation</b>		
As at 1 January 2017	192	192
Amortisation charge in the year	172	172
TOTAL	<u>364</u>	<u>364</u>
<b>Net book value</b>		
As at 31 December 2017	<u>278</u>	<u>278</u>
As at 31 December 2016	<u>500</u>	<u>500</u>

The impairment in value represents work in progress projects reviewed in the year as expendable.

## 10 Investment properties

	2017 £000	2016 £000
As at 1 January	3,055	3,305
Transfer to Assets held for sale (Note 11)	(755)	-
Impairment in value	-	(250)
As at 31 December	<u>2,300</u>	<u>3,055</u>
Historic cost	2,325	3,080

The investment properties were valued as at 31 December 2014 by a combination of external surveyors, use of the RICS Red Book, or comparison to the market values of similar properties. The Trustees are satisfied that, having reviewed available data on market activity in the respective locations, there has been no significant change to the assets fair value from that date in relation to any of the properties requiring any further revaluation.

## 11 Assets held for sale

	2017 £000	2016 £000
As at 1 January	-	160
Transfer from Investment properties	755	-
Disposals	-	(160)
As at 31 December	<u>755</u>	<u>-</u>
Historic cost	755	-

During 2017 an investment property with a fair value of £755k ceased being required for investment purposes and was placed on the property market for sale.

## 12 Investments

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2017 £000	2016 £000
Quoted investments	91,713	21,580	66,538	<b>179,831</b>	165,285
Quoted liquid funds	6,779	-	-	<b>6,779</b>	9,763
Investments held with fund managers	<u>98,492</u>	<u>21,580</u>	<u>66,538</u>	<b><u>186,610</u></b>	<u>175,408</u>

### Reconciliation of investments held with fund managers

	2017 £000	2016 £000
Market value at 1 January	<b>175,408</b>	164,285
Additions	<b>18,849</b>	114,525
Disposals	<b>(27,434)</b>	(114,524)
Net unrealised gains	<b>16,993</b>	16,372
Movement in cash	<b>2,794</b>	(5,250)
Market value at 31 December	<b><u>186,610</u></b>	<u>175,408</u>
Historical cost at 31 December	<b>159,271</b>	162,068

### Investments held with fund managers – analysis by type

	2017 £000	2016 £000
UK equities – FTSE350	<b>68,810</b>	61,179
UK equities – smaller companies	<b>8,718</b>	10,059
Global equities	<b>46,568</b>	41,542
Fixed income	<b>12,767</b>	12,828
Diversified growth funds	<b>42,968</b>	40,037
Quoted liquid funds	<b>6,779</b>	9,763
	<b><u>186,610</u></b>	<u>175,408</u>

The charity has invested £1 in the share capital of its wholly owned trading subsidiary.

### Independent Age Enterprises Limited

The wholly owned trading subsidiary Independent Age Enterprises Limited, which was dormant until 31 December 2016, handles the non-charitable activities of Independent Age. It donates all of its profits to the charity by gift aid. As such no corporation tax is payable. A summary of the trading results is shown below.

	2017 £	2016 £
Turnover	<b>29,270</b>	-
Cost of sales and administration costs	<b>29,270</b>	-
Interest receivable	-	-
Net profit	-	-
Amount gift aided to the charity	-	-
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	<b>18,700</b>	-
Current liabilities	<b>(18,699)</b>	-
Shareholder's funds/total net assets	<b><u>1</u></b>	<u>-</u>

## Counsel and Care for the Elderly

Independent Age is the sole legal member of Counsel and Care for the Elderly. Counsel and Care is the working name of Counsel and Care for the Elderly, established to assist, by means deemed by law to be charitable, elderly invalids who are in need of financial or other help which they are unable to provide out of their own resources; and to alleviate distress and suffering among elderly invalids by means considered necessary from time to time and deemed by law to be charitable. A summary of the results for the year is shown below.

	Total 2017 £	Total 2016 £
<b>Income from:</b>		
Donations and legacies	<b>54,118</b>	322,899
<b>Total income</b>	<b><u>54,118</u></b>	<b><u>322,899</u></b>
<b>Expenditure on:</b>		
<i>Charitable activities:</i>		
Advice services to older people	<b>146,089</b>	438,442
<b>Total expenditure</b>	<b>146,089</b>	<b>438,442</b>
Net (expenditure)/income	<b>(91,971)</b>	(115,543)
Fund balances brought forward	<b>277,833</b>	393,376
<b>Fund balances carried forward</b>	<b><u>185,862</u></b>	<u>277,833</u>

## 13 Concessionary Loans

	2017 £000	2016 £000
Loan balance as at 1 January	<b>385</b>	591
Loans repaid	-	(29)
Impairment	<b>(24)</b>	(177)
Total loans outstanding	<b>361</b>	385
Provision	<b>(252)</b>	(265)
	<b><u>109</u></b>	<u>120</u>

These loans represent interest free advancements to qualifying beneficiaries in furtherance of the charity objectives to assist with essential house repairs, and are repayable as the individual beneficiary's circumstances allow. The practice of awarding such loans was ended in May 2014 and no further loans are made.

## 14 Debtors: amounts falling due within one year

	2017 £000	2016 £000
Debtors	<b>9</b>	9
Other debtors	<b>69</b>	18
Prepayments	<b>173</b>	72
Accrued income	<b>824</b>	1,214
	<b><u>1,075</u></b>	<u>1,313</u>

## 15 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	297	374
Regular payment liability (Note 16)	1,193	1,318
Other creditors	107	-
Accruals	246	44
Deferred income	-	21
	<u>1,843</u>	<u>1,757</u>
<b>Movement in deferred income</b>	<b>2017 £000</b>	<b>2016 £000</b>
Deferred income brought forward	21	119
Amounts released in the year	(21)	(119)
Amounts deferred in the year	-	21
Deferred income carried forward	<u>-</u>	<u>21</u>

## 16 Reconciliation of Regular Payments

	2017 £000	2016 £000
Commitments at 1 January	9,234	9,619
Movement in provision	362	1,004
Amount paid in the year	<u>(1,280)</u>	<u>(1,389)</u>
Commitments at 31 December	<u>8,316</u>	<u>9,234</u>
Payable within one year – see Note 15	1,193	1,318
Payable after one year	7,123	7,916
Commitments at 31 December	<u>8,316</u>	<u>9,234</u>

The movement in the provision is derived from three factors: the numbers of annuitants at the year end, changes in the discount factor and changes in the mortality tables used to determine life expectancy. At 31 December 2017 the number of annuitants, 1,583, was 183 fewer than at the same date in the previous year (2016: 1,766) which has reduced the overall liability. The discount factor, however, decreased from 2.42% to 2.26% partially offsetting this reduction resulting in an increase in the total provision. As this increase is less than the sums paid during the year, there is a small decrease in the liability at the year end.

## 17 Pension schemes

The employer, Independent Age, operates a defined benefit (final salary) scheme in the UK. A full actuarial valuation was carried out at 30 September 2016 and updated to 31 December 2017 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation at 30 September 2016 showed a deficit of £2,994,000. The employer currently pays contributions at the rate of 26.7% p.a. of members' earnings in respect of non-contributory members and 20.7% p.a. of members' earnings in respect of contributory members. In addition the employer pays £764,000 p.a. in respect of the funding shortfall and £62,515 p.a. in respect of scheme expenses. From 1 April 2018, the employer will pay contributions at the rate of 38.3% p.a. of members' earnings in respect of non-contributory members and 32.3% p.a. of members' earnings in respect of contributory members. In addition, the employer will pay lump sums of £908,000 p.a. in June each year in respect of the shortfall in funding, providing that the shortfall is more than £908,000. From 1 April, the employer will also pay £63,000 p.a. in respect of scheme expenses. The PPF levy is paid separately by the employer upon receipt of the invoice.

Member contributions are payable in addition at the rate of 6.0% p.a. of members' earnings in respect of contributory members only.

### PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT LIABILITY

	31 December 2017 £000	31 December 2016 £000	31 December 2015 £000
Fair value of plan assets	20,786	19,024	15,816
Present value of defined benefit obligation	<u>(21,396)</u>	<u>(21,191)</u>	<u>(17,666)</u>
Deficit in plan	<u>(610)</u>	<u>(2,167)</u>	<u>(1,850)</u>
Unrecognised surplus	-	-	-
Defined benefit liability to be recognised	<u>(610)</u>	<u>(2,167)</u>	<u>(1,850)</u>

### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Year ending 31 December 2017 £000	Year ending 31 December 2016 £000
Defined benefit obligation at start of period	21,191	17,666
Current service cost	92	78
Expenses	84	81
Interest expense	550	655
Contributions by plan participants	18	21
Actuarial losses/(gains)	497	3,708
Benefits paid and expenses	<u>(1,036)</u>	<u>(1,018)</u>
Defined benefit obligation at end of period	<u>21,396</u>	<u>21,191</u>

### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Year ending 31 December 2017 £000	Year ending 31 December 2016 £000
Fair value of plan assets at start of period	19,024	15,816
Interest income	503	599
Actuarial gains	1,382	2,699
Contributions by the employer	895	907
Contributions by plan participants	18	21
Benefits paid and expenses	<u>(1,036)</u>	<u>(1,018)</u>
Fair value of plan assets at end of period	<u>20,786</u>	<u>19,024</u>

The actual return on the scheme assets over the year ending 31 December 2017 was £1,879,000.

### DEFINED BENEFIT COSTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

	Year ending 31 December 2017 £000	Year ending 31 December 2016 £000
Current service cost (included within Staff costs)	92	78
Expenses (included within Staff costs)	84	81
Net interest cost	47	56
Defined benefit costs recognised in Statement of Financial Activities	<u>223</u>	<u>215</u>

DEFINED BENEFIT COSTS RECOGNISED AS OTHER GAINS AND LOSSES IN THE STATEMENT OF FINANCIAL ACTIVITIES

	Year ending 31 December 2017 £000	Year ending 31 December 2016 £000
Return on plan assets (excluding amounts included in net interest cost) – gain	1,382	2,699
Experience gains and losses arising on the plan liabilities (loss)/gain	(89)	4
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – (loss)	(408)	(3,712)
Actuarial gain/(loss) on defined benefit pension scheme in the Statement of Financial Activities	885	(1,009)

ASSETS

	31 December 2017 £000	31 December 2016 £000	31 December 2015 £000
Equity-type assets	9,875	12,439	10,631
Fixed Interest Bonds	1,382	736	665
Index-Linked Bonds	5,343	3,463	2,266
Fixed Interest Gilts	2,537	860	748
Property	1,479	1,442	1,360
Other	170	84	146
Total assets	20,786	19,024	15,816

None of the fair value of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or any other assets used by, the employer.

ASSUMPTIONS

	31 December 2017 % per annum	31 December 2016 % per annum	31 December 2015 % per annum
Discount Rate	2.45	2.65	3.80
Inflation (RPI)	3.25	3.35	3.10
Inflation (CPI)	2.25	2.35	2.10
Salary growth	2.25	2.35	2.10
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.25	3.35	3.10
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.30	2.40	2.10
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	1.75	1.80	1.70
Allowance for pension in payment increases of CPI or 3.0% p.a. if less	1.95	2.00	1.90
Allowance for commutation of pension for cash at retirement	75% of Post A day	90% of Post A day	90% of Post A day

The mortality assumptions adopted at 31 December 2017 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2017	23.0
Female retiring in 2017	24.6
Male retiring in 2037	24.4
Female retiring in 2037	25.8

The best estimate of contributions to be paid by the employer to the scheme for the year commencing 1 January 2018 is £1,258,000.

Independent Age also operates a defined contribution scheme administered by TPT Retirement Solutions. Members of the scheme contribute up to 6% whilst the employer contributes up to 10%. Total employer contributions towards this scheme in the year were £209,768.

18 Movement on funds

	Balance at 1 January 2017 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains / (Losses) £000	Balance at 31 December 2017 £000
<b>Endowed funds</b>						
FE Cobbold Trust Fund	1,387	-	-	41	-	1,428
Backsettown Endowed Charity	271	-	-	8	-	279
Wharton & Wittrick	407	-	-	12	-	419
General Endowment Fund	53,508	-	-	1,576	-	55,084
Unapplied Total Return	8,818	1,348	171	(16,345)	6,350	-
<b>Total endowed funds</b>	<b>64,391</b>	<b>1,348</b>	<b>171</b>	<b>(14,708)</b>	<b>6,350</b>	<b>57,210</b>
<b>Restricted funds</b>						
FE Cobbold Trust Fund	13,221	279	819	425	1,318	14,424
Backsettown Endowed Charity	129	-	-	-	-	129
RUKBA Holiday Fund	4,066	86	21	-	405	4,536
Ulster Ladies Trust Fund	794	17	13	-	80	878
General Endowment Fund	1,895	39	6	(2,116)	188	-
Campaign to End Loneliness	90	794	798	112	-	198
Other restricted funds	-	154	154	-	-	-
<b>Total restricted funds</b>	<b>20,195</b>	<b>1,369</b>	<b>1,811</b>	<b>(1,579)</b>	<b>1,991</b>	<b>20,165</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Investment Property Fund	-	-	-	2,300	-	2,300
Tangible and Intangible Fixed Assets Fund	2,799	-	-	(320)	-	2,479
Endowment Funded Activity Protection Fund	-	-	-	20,023	-	20,023
Strategic Investment Fund	22,075	467	59	(24,683)	2,200	-
Property strategy fund	76	1	-	(84)	7	-
Designated Endowment Fund	38,450	813	104	(42,991)	3,832	-
Pension reserve	(2,167)	-	47	1,329	885	-
Future Impact Fund	-	-	-	67,760	-	67,760
<b>Total designated funds</b>	<b>61,233</b>	<b>1,281</b>	<b>210</b>	<b>23,334</b>	<b>6,924</b>	<b>92,562</b>
General fund	26,216	2,119	9,354	(7,047)	2,613	14,547
<b>Total unrestricted funds</b>	<b>87,449</b>	<b>3,400</b>	<b>9,564</b>	<b>16,287</b>	<b>9,537</b>	<b>107,109</b>
<b>Total Group</b>	<b>172,035</b>	<b>6,117</b>	<b>11,546</b>	<b>-</b>	<b>17,878</b>	<b>184,484</b>

Fund descriptions

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

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

The Board of Trustees resolved in December 2014 that the charity would adopt Total Return Accounting for the three above named Permanent Endowed funds with effect from 1 January 2015 and acknowledged that this should also apply to the General Endowed Fund as permitted under the Supplementary Royal Charter.

The funds of Independent Age are as described below.

### **Permanent Endowed Funds**

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

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

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

The **General Endowment Fund** which was established by the Supplementary Royal Charter in 2014, provides for the general purposes of the Charity.

The **Unapplied Total Return** is the balance of income earned, less investment management fees, plus investment gains after the maintenance of the capital value of the Permanent Endowed funds calculated by the movement in CPI for the respective period.

Under section 104(A) of the Charities Act 2011 on 1 January 2015 the Trustees have the power to invest permanently endowed funds to maximise total return and therefore to apply an appropriate portion of the unapplied total return to income. The unapplied total return remains invested as part of the permanent endowment until that power is exercised. In 2017 the Trustees exercised this right and transferred the unapplied total return net balance of £16,345k to income funds of which £9,354k were used in the year with the remainder to be utilised in the immediate future.

	Endowed for Investment £000	Unapplied Total Return £000	Total Endowed £000
At start date: 1 January 2017			
Gift component of permanent endowment	55,573	-	55,573
Unapplied total return	-	8,818	8,818
	55,573	8,818	64,391
<b>Movements</b>			
Recoupment of trust for investment	1,637	(1,637)	-
		1,637	1,637
Dividend return	-	1,348	1,348
Gains	-	6,350	6,350
Investment management costs	-	(171)	(171)
	1,637	7,527	9,164
Unapplied total return transferred to income funds	-	(16,345)	(16,345)
<b>TOTALS</b>	<b>57,210</b>	<b>-</b>	<b>57,210</b>

### **Restricted Funds**

These are funds which the charity spends on activities specified by the restrictions of the fund.

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

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

The **General Endowment Fund**: during the year, the Trustees reviewed the disclosure of this fund. The outcome of the review concluded that the fund's purpose was aligned with the charity's general objectives and therefore should not be categorised as restricted. A transfer was made of this fund balance to unrestricted funds in the year.

The **Campaign to End Loneliness**: grants received including those from the other partners to address the issues related to older people experiencing loneliness. During the year, £112k were transferred from unrestricted funds to this activity.

**Other Restricted Funds** are donations from trusts on which a restriction is placed by the donor.

### **Designated Funds**

In accordance with the Charity Commission guidance, the Trustees have designated funds to mitigate the charity financial risks and to indicate which reserves are held in property and therefore not available as 'free' reserves. Individual purposes of these funds are described below.

The **Investment Property Fund** represents the amount of reserves relating to property.

The **Tangible and Intangible Fixed Asset Fund** recognises the net book value of operational fixed assets – primarily the Head Office building at 18 Avonmore Road.

The **Endowment Funded Activity Protection Fund** will be used to cover the gap in funding of charitable activities arising from a potential negative return on the endowed investment. Trustees have designated for this purpose a value equivalent to 35% of the endowments.

The **Future Impact Fund** represents the balance of free reserves which, together with growth of voluntary income, will be used to continue to expand the scale, scope and depth of charity services now and in the future.

During the year, the Trustees reviewed the reserves policy, in the light of the charity's aim to increase activity and impact, and recognised that the funds designated in 2015 to achieve the five year strategic aim had fulfilled their purpose and therefore re-designated the balances held in the Strategic Investment Fund, Property Strategy Fund and Designated Endowment Fund.

The Trustees considered the size of the pension liability in relation to the funds overall. They decided that in this context, holding a separate fund for the pension reserve provided no additional benefit to a reader of the accounts and added to the complexity of the disclosures. The balance on this reserve has therefore been transferred to the general reserve.

### **General Funds**

The **General Fund** is unrestricted funds used for the general work of Independent Age equivalent to one year's charitable expenditure, other than the amount funded by the endowments and protected by designated funds.

Comparatives for 2016 of movement on funds are shown below:

	Balance at 1 January 2016 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains / (Losses) £000	Balance at 31 December 2016 £000
<b>INDEPENDENT AGE</b>						
<b>Endowed funds</b>						
FE Cobbold Trust Fund	1,365	-	-	22	-	<b>1,387</b>
Backsettown Endowed Charity	267	-	-	4	-	<b>271</b>
Wharton & Wittrick	401	-	-	6	-	<b>407</b>
General Endowment Fund	52,668	-	-	840	-	<b>53,508</b>
Unapplied Total Return	2,459	1,602	188	(872)	5,817	<b>8,818</b>
<b>Total endowed funds</b>	<b>57,160</b>	<b>1,602</b>	<b>188</b>	<b>-</b>	<b>5,817</b>	<b>64,391</b>
<b>Restricted funds</b>						
FE Cobbold Trust Fund	12,379	351	784	-	1,275	<b>13,221</b>
Backsettown Endowed Charity	129	-	-	-	-	<b>129</b>
RUKBA Holiday Fund	3,617	103	26	-	372	<b>4,066</b>
Ulster Ladies Trust Fund	716	20	16	-	74	<b>794</b>
General Endowment Fund	1,679	48	5	-	173	<b>1,895</b>
Campaign to End Loneliness	111	211	240	8	-	<b>90</b>
Other restricted funds	8	141	141	(8)	-	<b>-</b>
<b>Total restricted funds</b>	<b>18,639</b>	<b>874</b>	<b>1,212</b>	<b>-</b>	<b>1,894</b>	<b>20,195</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Strategic Investment Fund	24,458	692	81	(5,512)	2,518	<b>22,075</b>
Property strategy fund	70	2	1	(2)	7	<b>76</b>
Tangible and Intangible Fixed Asset Fund	2,821	-	-	(22)	-	<b>2,799</b>
Designated Endowment Fund	36,444	1,037	121	(2,663)	3,753	<b>38,450</b>
Pension reserve	(1,850)	-	56	748	(1,009)	<b>(2,167)</b>
<b>Total designated funds</b>	<b>61,943</b>	<b>1,731</b>	<b>259</b>	<b>(7,451)</b>	<b>5,269</b>	<b>61,233</b>
General fund	23,144	2,651	9,163	7,451	2,133	<b>26,216</b>
<b>Total unrestricted funds</b>	<b>85,087</b>	<b>4,382</b>	<b>9,422</b>	<b>-</b>	<b>7,402</b>	<b>87,449</b>
<b>Sub total Independent Age</b>	<b>160,886</b>	<b>6,858</b>	<b>10,822</b>	<b>-</b>	<b>15,113</b>	<b>172,035</b>

## 19 Analysis of net assets between funds

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowed funds £000	2017 Total funds £000
Tangible and intangible fixed assets	-	2,479	-	-	<b>2,479</b>
Investment	21,706	90,693	17,699	56,512	<b>186,610</b>
Investment properties	-	-	1,602	698	<b>2,300</b>
Concessionary loans	-	-	109	-	<b>109</b>
Current assets	1,807	-	755	-	<b>2,562</b>
Current liabilities	(1,843)	-	-	-	<b>(1,843)</b>
Creditors: Amount falling due after more than one year	(7,123)	-	-	-	<b>(7,123)</b>
Defined benefit pension scheme liability	-	(610)	-	-	<b>(610)</b>
<b>Total</b>	<b>14,547</b>	<b>92,562</b>	<b>20,165</b>	<b>57,210</b>	<b>184,484</b>

Comparatives for 2016 analysis of net assets between funds are shown below:

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowed funds £000	2016 Total funds £000
Tangible and intangible fixed assets	-	2,799	-	-	<b>2,799</b>
Investment	33,396	60,601	17,698	63,713	<b>175,408</b>
Investment properties	-	-	2,377	678	<b>3,055</b>
Concessionary loans	-	-	120	-	<b>120</b>
Current assets	2,493	-	-	-	<b>2,493</b>
Current liabilities	(1,757)	-	-	-	<b>(1,757)</b>
Creditors: Amount falling due after more than one year	(7,916)	-	-	-	<b>(7,916)</b>
Defined benefit pension scheme liability	-	(2,167)	-	-	<b>(2,167)</b>
<b>Total</b>	<b>26,216</b>	<b>61,233</b>	<b>20,195</b>	<b>64,391</b>	<b>172,035</b>

## 20 Trustees, related parties and connected charities

No Trustee received any remuneration from Independent Age during the year ended 31 December 2017. They were reimbursed for travel expenses incurred in the furtherance of charity's activities totalling £829 (2016: £432).

Professor Martin Green OBE, Chair of the International Longevity Centre – UK (ILC-UK), is a Trustee of Independent Age. Payments totalling £30,600 in 2017 (2016: £15,450) have been made to ILC-UK for research services and events.

Counsel and Care for the Elderly merged with Independent Age in October 2011 but continues to operate as a separate charitable company for the collection of donations and legacies. Independent Age is the Managing Trustee and continues to provide the services previously offered by Counsel and Care. In the year ended 31 December 2017, the income for Counsel and Care was £54k (2016: £323k) and expenditure was £146k (2016: £438k), total net assets value was £186k (2016: £278k).

Independent Age is connected to the Florence Nightingale Aid in Sickness Trust (FNAIST) which was formerly administered by the charity providing accommodation and other support services. In August 2014 FNAIST relocated to new premises and was established as a Company limited by guarantee (09064489) and re-registered with the Charity Commission for England and Wales (1157980). Since that date a member of Independent Age staff has been seconded to FNAIST which reimburses the charity for costs incurred and pays a small administration fee of £600 p.a. As at 31 December 2017 FNAIST owed Independent Age £0 (2016: £4,010).

## 21 Reconciliation of net movements in funds to net cash flow from activities

	2017 £000	2016 £000
<b>Net income for the year</b>	<b>11,563</b>	12,158
Dividends received	(3,097)	(4,201)
Interest receivable	(430)	(549)
Rents received from investment properties	(79)	(83)
Depreciation and impairment of tangible fixed assets	142	166
Amortisation and impairment of intangible fixed assets	279	154
Movement in concessionary loans	-	29
Gains on investment	(16,993)	(16,372)
Surplus on disposal of fixed assets	-	(14)
Loss on fixed asset investment properties and properties held for sale	-	250
Increase in provision against programme related investments	11	60
Post-employment benefits less payments	(672)	(692)
Movement in the provision for regular payments	362	1,004
Decrease in debtors	238	131
Decrease in creditors	(1,072)	(1,497)
<b>Net cash flow from operating activities</b>	<b>(9,748)</b>	<b>(9,456)</b>

## 22 2016 Independent Age Statement of Financial Activities

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Year to 31 December 2016 <b>Total funds £000</b>
<b>Income and endowments from:</b>				
Donations and legacies	1,925	352	-	<b>2,277</b>
Raising funds – Events	32	-	-	<b>32</b>
Investment income	2,387	522	1,602	<b>4,511</b>
<b>Other income</b>				
Other income	24	-	-	<b>24</b>
Surplus from property sales	14	-	-	<b>14</b>
<b>Total income and endowments</b>	<b>4,382</b>	<b>874</b>	<b>1,602</b>	<b>6,858</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Raising voluntary income	1,301	-	-	<b>1,301</b>
Investment and property management	280	61	188	<b>529</b>
Total cost of raising funds	<b>1,581</b>	<b>61</b>	<b>188</b>	<b>1,830</b>
<b>Charitable activities</b>				
Information and Advice	2,147	864	-	<b>3,011</b>
Wellbeing	3,038	-	-	<b>3,038</b>
Campaigning	1,562	240	-	<b>1,802</b>
Regular Payments and Grants	1,038	47	-	<b>1,085</b>
Total cost of charitable activities	<b>7,785</b>	<b>1,151</b>	-	<b>8,936</b>
<b>Other expenditure</b>				
Pension – Other finance expenditure	56	-	-	<b>56</b>
<b>Total expenditure</b>	<b>9,422</b>	<b>1,212</b>	<b>188</b>	<b>10,822</b>
<b>Operating (deficit)/surplus</b>	(5,040)	(338)	1,414	<b>(3,964)</b>
Gains on investment assets	8,661	1,894	5,817	<b>16,372</b>
Unrealised gain/(loss) on investment properties	(250)	-	-	<b>(250)</b>
<b>Net income</b>	3,371	1,556	7,231	<b>12,158</b>
<b>Other recognised gains</b>				
Actuarial gain on defined benefit pension scheme	(1,009)	-	-	<b>(1,009)</b>
<b>Net movement in funds</b>	2,362	1,556	7,231	<b>11,149</b>
Fund balances brought forward at 1 January	85,087	18,639	57,160	<b>160,886</b>
<b>Fund balances carried forward at 31 December</b>	<b>87,449</b>	<b>20,195</b>	<b>64,391</b>	<b>172,035</b>

As an entity only SoFA, the comparatives do not include results of Counsel and Care.

# References

<sup>1</sup> Households Below Average Income 2015/16, Department for Work and Pensions, March 2017

<sup>2</sup> TNS survey for Age UK, TNS/Age UK, April 2014

<sup>3</sup> 1.2m older people don't get the social care they need, Age UK, November 2016

<sup>4</sup> Income Related Benefits, Estimates of Take-up, Department for Work and Pensions, June 2015 – £3.7 billion stated (Age UK Chief Economist Report, June 2015)

<sup>5</sup> Insights into Loneliness, Older People and Well-being, ONS, 2015

<sup>6</sup> National population projections for the UK, 2016-based, Office for National Statistics, 2017



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