



advice and support for older age

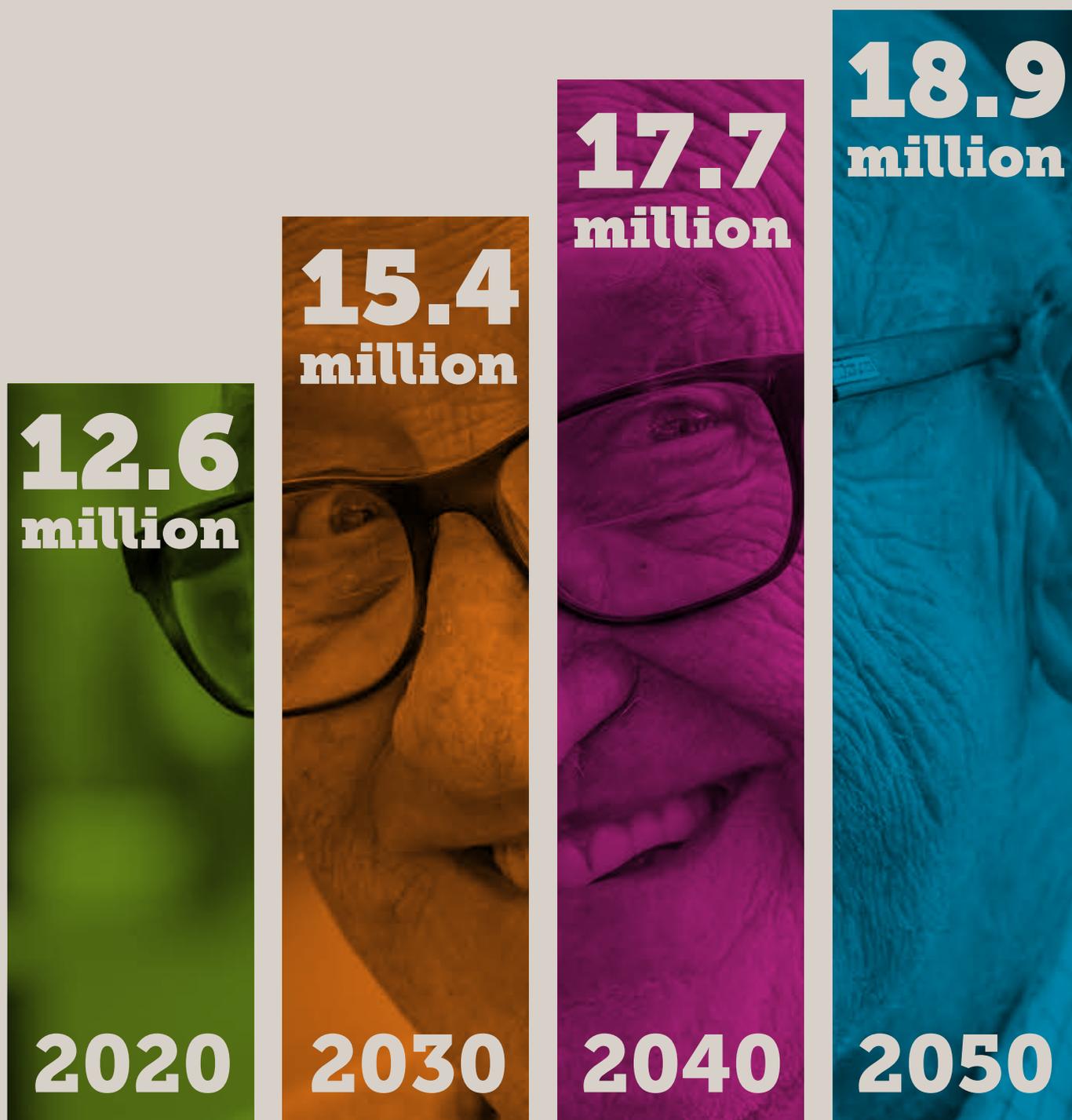
**Independent
Age**

Annual Report
and Accounts

2018



We're all ageing. By 2040, 1 in 4 people in the UK will be 65 or over. This means we have a huge and exciting challenge ahead as we work to meet rising demand for our services and strive to make the UK the best place to grow older.



Number of people aged 65 and over.

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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, or social or financial hardship. The charity's work includes the Campaign to End Loneliness and responsibility for its governance.

Message from the Chair

We live in remarkable times: a child born in the UK today has roughly a 1 in 3 chance of reaching their 100th birthday¹. As a nation, we've never lived so long. But if longevity is to be celebrated by everyone, we need to rethink ageing and tackle the complex issues that prevent many people from living well in older age. This is a formidable challenge but it is at the heart of our work at Independent Age.

Our quality information and support is available when people need it, with clearly written advice guides and factsheets accessible on our website and a dedicated telephone advice line. We continue to expand our information, advice and friendship services to provide a lifeline to individuals and local communities.

Through the Campaign to End Loneliness, which operates as a department within Independent Age, we have helped put a spotlight on the extent of these issues and the need to bring communities together. But if we're to deliver greater impact, we also need to plan ahead and help ensure that obstacles do not become significant barriers to a fulfilling and happy older age.

This means preventing loneliness by focusing on innovative new local services to tackle the problems early, such as the community-led service we're piloting to help make connections for those at risk of becoming lonely in later life. It means taking a stand on pensioner poverty, such as the injustice of £3.5 billion unclaimed benefits each year, and tackling the ever-widening social care funding gap. We've made a strong start and are campaigning for better outcomes for older people in the forthcoming social care Green Paper, including the adoption of free personal care. However, we need greater public support to magnify our voice and influence.

Against this backdrop, I am proud that we have increased the number of people we've helped over the past year, which is due to the determination and dedication of our staff and volunteers across the UK. We have made a considerable investment in bringing in new skills across the charity to make sure that we not only help more people, but also involve them in shaping our work and securing the funds we need to help older people live well.

As we develop our strategy and plans for the coming years, we will continue to listen, innovate and challenge. We will also showcase the groundbreaking work both Independent Age and others do to make a difference for older people.

I want to thank Janet Morrison who has stepped down as Chief Executive after nearly 12 years in the role. Until we appoint a permanent replacement, Independent Age is in the highly capable hands of Interim Chief Executive, Shān Nicholas. We look forward to welcoming our next Chair in October 2019: Rabbi Baroness Julia Neuberger DBE is an inspirational thought leader and champion of our cause.

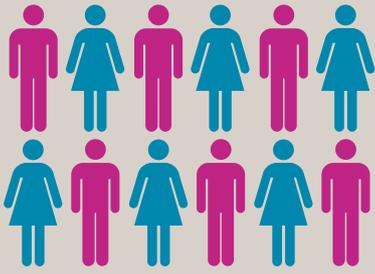
My final thanks are to my fellow Trustees who bring their skills and experience and give their time to steer and govern the charity. We are united in our belief that Independent Age has the courage and fortitude to make later life better for us all.



Dr Justine Frain
Chair

¹ www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies/articles/whatareyourchancesoflivingto100/2016-01-14

Our year in numbers



1.2m people accessed our services in 2018



Total times we helped someone over 2015–2018: 9,720,000

2014: 323,000

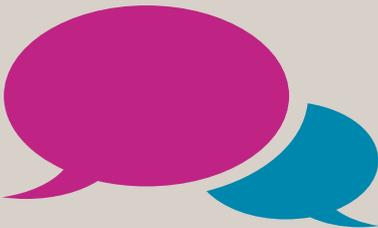
2018: 3.74m



Total information resources distributed over 2015–2018: 9,404,590

2014: 221,290

2018: 3.6m



Total helpline enquiries answered over 2015–2018: 154,680

2014: 8,700

2018: 68,420



£4.7m raised in 2018 to help deliver the support we provide

Trustees' report

Progress against our 2015–20 strategic objectives

Independent Age is growing. This reflects our ambitious plan launched in 2015 to significantly increase our impact through the expansion of our information, advice and friendship services, as well as our campaigning and public engagement activities. Four years on, our growth has been remarkable and we are incredibly proud of the scale of our achievements so far.

In 2018 alone, we supported 1.2 million people – that's more than five times our reach in 2014.

We saw a 50% increase in the number of enquiries to our helpline, achieving 68,418 overall (2017: 40,360), and distributed 3.6 million information resources (2017: 2.7m). We recruited almost 1,500 new volunteers across a range of roles (2017: 926) and saw a rise in older people using our friendship services.

We reached new audiences online, and grew our followers on social media to 48,000 (2017: 33,840). We created new fundraising streams and increased our regular giving supporter base to 5,350 (2017: 3,480). And we continued to punch above our weight in the media, with almost 2,000 pieces of coverage on topics as wide-ranging as care funding and sex and relationships.

We launched a groundbreaking report calling for free personal care, making the country's decision makers sit up and listen, as well as key reports on bereavement in later life, the plight of older private renters and our analysis of care home

performance. And we actively listened to the thousands who contributed to our survey about the realities of growing old in the UK today, and started work on new, innovative solutions to help make life easier for those struggling with the challenges that ageing can bring.

But our ambition does not stop there. We will continue to expand the scale, scope and depth of our services, to innovate and campaign for systemic change, and to build meaningful relationships with people to improve their lives. We want to develop the organisation in a way that supports not just today's older people but all of us. After all, we're all ageing.

In 2019, as well as delivering the priorities set out in this report, we will complete the development of a new strategy to launch in 2020. While the challenges of poverty, loneliness and inadequate health and care services continue to grow, we look to build on our strengths to become a far greater force for positive change.

Growing old in the UK today

Older people tell us that the absolute priorities for a good life, regardless of age, are health, financial security and social connections. As a nation, we have a lot to do before everyone has what they need to enjoy later life.

Health and care

How well are we living in older age? Worryingly, this can often depend on where we live. In general people are living longer than ever before, with the number of those aged 65 and over increasing

by more than 40% within 20 years². But, over the past few years, there has been a sharp decline in life expectancy in the less economically vibrant areas of the country, which have lower incomes, fewer services and greater isolation.

While the number of years we live in good health also varies across the country, a significant proportion of over-65s are living with chronic health problems. But due to cuts to public services and a rise in complex needs, such as dementia, accessing the right care at the right time has become increasingly difficult. Decent care can be all too scarce and too costly, leaving more people in their 80s and 90s struggling to provide care for a loved one at home.

We campaign for improvements to our health and care services and provide free advice and information so people have a better understanding of the system.

Financial security

The image painted by the media of the wealthy grandparent with the million-pound house has led many people to believe this generation doesn't have money worries. The truth is, almost 2 million older people are living in poverty, but more shocking still are the billions in welfare benefits that go unclaimed by this age group every year, mostly because people don't know they're eligible.

Over the past seven years, the proportion of over-65s unable to afford a decent standard of living has increased from 23% to 32%³, while over the past five years, single pensioners reliant on the state pension have risen by 26%⁴. In recent years, nearly 1 million over-65s have had to choose between heating and eating⁵, and 14% have gone to bed early just to keep warm⁶.

We provide advice to people who need help to access benefits and campaign to make sure the country's decision makers understand the financial challenges older people face.

Social connections

Friendships make us happy. Research shows that those who spend time with family and friends tend to feel better about life than those who don't⁷. But as we age, we find our social circle shrinks, leaving us with an acute sense that we don't belong⁸. Losing a partner, in particular, can have a devastating effect on one's sense of belonging, especially for those without a strong network of family and friends.

With 3.6 million over-65s now living alone and 3.8 million having never used the internet⁹, perhaps it's not surprising that nearly 4 million say television is their main source of company¹⁰. The latest figures show more than a million are chronically lonely, so a radical shift in thinking is needed to reverse this troubling trend.

We connect people who are lonely to our wonderful friendship volunteers, challenge ageism where we see it and, with the Campaign to End Loneliness, tackle the stigma of loneliness.

² The State of Ageing in 2019, Centre for Ageing Better

³ A Minimum Income Standard, Trust for London and Loughborough University

⁴ Department of Work and Pensions, 2017

⁵ Later Life in the UK, Age UK, 2018

⁶ *ibid*

⁷ Very Happy People, E Diener and M Seligman, Psychological Science 13.1, 2002

⁸ Safeguarding the Convoy: A call to action from the Campaign to End Loneliness, Age UK Oxfordshire, 2011

⁹ Internet users in the UK, ONS, 2017

¹⁰ Age UK, 2014

Trustees' report

Health and care

“We're almost marooned indoors and tried for a long time to get help. My wife is over 90 and pretty frail but it's difficult for me to lift her, so if she fell I'd fall as well. I rang the Independent Age helpline and they gave me good advice about assessments. We now have carers coming in to help five times a week.” **Helpline caller**

As growing numbers struggle to access the care they need, we make sure people know what's available and are aware of their rights. We're helping thousands with free, confidential advice over the phone and a range of free guides on health and care topics. At the same time, we're looking to improve services by pressurising government and other partners to deliver practical improvements.

Over 2018, we said we would help more people than ever to access support and campaign for the government to fix health and care for the future...

- Our helpline dealt with 68,420 enquiries – over 20,000 more than in 2017 – a quarter of which related to social care. Additionally, we expanded our range of guides on health and wellbeing, winning Plain English Awards for three of them.
- Our groundbreaking report, **A Taxing Question**, developed with Grant

Thornton LLP to cost different policy options for personal care, resulted in a call to make personal care free for all over-65s. The report triggered wide discussion at the annual political conferences and headlined in a House of Commons Library briefing to inform policy recommendations as part of the Adult Social Care Green Paper.

- We also published our Good Grief policy report on bereavement, which explored the UK's cultural reluctance to talk about death and how this contributes to the lack of care services in this area. Building on this, we launched our **Let's talk about death** public engagement campaign to start the conversation, resulting in more than 32,000 orders of our guides on bereavement and end-of-life planning. These same guides were recognised in the Ethical Issues category at the British Medical Association Patient Information Awards.



What do you think old is?

“I don't feel old because I have a busy lifestyle and four grandkiddies.”

What are you looking forward to most about getting older?

“To keep my health, for one thing.”

Betty, 72, Glasgow

Trustees' report

Financial security

"All I have to live on is my state pension, which is not enough. The Independent Age helpline told me about Attendance Allowance. I'd never heard of it before, so I've sent off for it. This will make such a big difference. I don't honestly know how I'll manage without it."

Helpline caller

Pensioner poverty is on the rise, so perhaps it's not surprising that our free information and confidential advice on money matters continues to drive the greatest volume of calls and requests for guides compared to any other topic. The primary issue we aim to address is one of access to these woefully under-claimed benefits. The solution is complex but a necessary next step to keep pensioners out of poverty.

Over 2018, we said we would help thousands more people access the welfare benefits they're due...

- Our helpline answered nearly 30,000 enquiries about issues related to money – close to 50% of the total enquiries we received over the year. Advice given by our team resulted in 69% of callers understanding their entitlements and the next steps required to make a claim.
- We distributed 3.6m information resources over the year (2017: 2.7m). Moneywise continues to be our most popular guide and distribution increased significantly in 2018 to 47,280 (2017: 27,910). 83% said it helped them make decisions about their financial situation, while 28% said it helped them apply for benefits.

- Our online calculator was introduced this year to help increase the take-up of unclaimed benefits. The calculator has helped to identify entitlements of more than £65.2m on an annual basis – an average of £4,124 per person (£79.31 per week).
- With a sharp increase in private rented accommodation, serious concerns are emerging about suitable living conditions and a sense of security in retirement. Our published policy report provided robust analysis, using national data to explore the barriers faced, and called for policymakers to do more to meet the needs of this growing group.
- As a member of the independent Commission for Customers in Vulnerable Circumstances in the energy sector, we highlighted the need to do more about the poor deal older people receive from energy companies and the growing issue of fuel poverty. The commission will publish a report setting out the changes needed.
- We met with the BBC and leading politicians, making the case to retain the free TV licence for over-75s and highlighting the negative impact taking it away would have on vulnerable older people.

Social connections

"I don't have the chance to speak to many people. Recently a dear friend of mine sadly passed away and another one, who I played snooker with, is unwell, so I spend a lot of time on my own. To some people, weekly phone calls may not seem like much. To me, they're priceless." Brian, 81

As the appalling issue of loneliness in older age continues to grow, research has confirmed our belief in the power of a good chat. Our friendship services provide regular calls or visits from a volunteer through which a genuine, trusting bond can develop. We also produce advice guides on combatting loneliness and continue to campaign to end loneliness.

Over 2018, we said we would improve our friendship services and find new, innovative ways to help people stay connected in later life...

- Our friendship services totalled 43,187 calls and visits in 2018, compared to 31,500 in 2017. Of the people who use these services, 77% said they feel less lonely, 71% said they have improved their

emotional and mental wellbeing, and 70% said they feel less worried.

- Improvements included the introduction of an innovation team, whose first initiative was planning a community-led project run by local volunteers to reconnect lonely individuals. This service complements our existing friendship services and will be piloted in 2019.
- Our blog series, Ageism+, explored how long-term prejudices – such as gender, disability, finance, race, sexuality – are amplified in older age, which has a significant impact on wellbeing. The campaign involved sector leaders taking part in the conversation and active discussions being held at political party conference fringe events.



The Campaign to End Loneliness works to inspire action from academics, policymakers, businesses, statutory and third-sector organisations, and continues to positively influence change.

In what was a momentous year for policymaking on loneliness in the UK, the Campaign was a strategic adviser and central advocate to three national governments on their loneliness strategies. Also, to further enhance the UK's standing as a world leader on the issue and the Campaign's leadership position nationally and internationally, our annual conference was an international success with contributions from Spain, Denmark, Norway and the United States, as well as attendees from as far afield as Japan and Israel.

In 2019, the Campaign will continue to

focus on sharing learning, expertise and galvanising action across government, business and communities.

The Campaign to End Loneliness is a network of organisations and individuals working together to tackle the urgent issue of loneliness. Its work ensures that loneliness is treated as a public health priority at both national and local levels. The Campaign is funded by £2.65m over four years by the National Lottery Community Fund as part of the Accelerating Ideas programme and has also received support from the Tudor Trust. The Campaign to End Loneliness is hosted by Independent Age, which is responsible for the Campaign's governance and management and employs its staff. The Campaign operates under Independent Age's charity number.

Trustees' report

Raising vital funds

"You've been brilliant! I've run for a few charities over the years and, credit where credit's due, you've been the best charity I've had the pleasure to raise money for."

Glenn, Royal Parks

Half Marathon runner, 2018

Making the UK a great place to grow older is something everyone can play a part in. To make sure we are able to meet the significant challenges growing numbers of older people face, we want to inspire people to support us in whatever way they can.

As we don't receive any government funding, other than Gift Aid, we rely on the generous support of individuals, charitable trusts, companies and community groups to help us expand our essential services, our public engagement work and our ongoing campaigns.

In 2018, we generated £4.7m in voluntary income and invested £2.5m in our fundraising activity. This provided an overall return on investment (ROI) ratio of 1.92:1. However, this ratio benefitted from a higher-than-expected legacy income, which means it is unlikely to be as high again in 2019 without further unexpected legacy gifts.

Our long-term ambition is to sustainably grow our voluntary income through a diverse mix of fundraising activities and supporters. Our continued fundraising investment is critical to the impact we can make on the lives of older people today and in years to come.

We are immensely grateful to everyone who has supported us over the past year:

- Thousands supported us through a regular monthly gift or a gift in their will, including our largest ever legacy donation of over £2m.
- Record numbers of supporters took on a sponsored challenge, including the Great North Run, the Virgin London Marathon and Tough Mudder events.
- We also received fantastic support from Aldermore Bank as their Charity of the Year, as well as a generous gift from investment company 3i.
- We continued to benefit from the support of several trusts and foundations, including the John Laing Charitable Trust, which funded the production of two new information and advice guides.

While these gifts come in all shapes and sizes, every pound really does help us to reach out and support those who need us.

"Independent Age has been a great charity to work with. We always felt well supported with regular face-to-face meetings and calls, and the team was forthcoming with information and resources. With the UK's ageing population, this is an increasingly salient issue and we're very proud at Aldermore to have been able to support the important work Independent Age does."

Aldermore Bank: Charity of the Year

“ We’re delighted to support Independent Age as their work has a great impact on those they help directly, and their campaigns play a vital role in changing issues in important areas such as health, social care and loneliness.”

Kathryn van der Kroft, Communications Director at 3i Group

“I’ve just learnt about your organisation from a wonderful young man who came to my door and told me all about you. He was engaging, authentic, funny and passionate about Independent Age. I’ve recently been involved in the confusion of what’s available for the elderly as Mum became ill, so I understand very well how much you’re needed and how much you help. Thank you for everything you’re doing. I’m going to get involved as a volunteer!”

New supporter

Our approach to fundraising

Independent Age works with a number of agencies and suppliers to enable us to deliver our campaigns and services. These partnerships are essential for us to raise income to fund our vital work with older people. We do not have the resources in-house to deliver many of these services, so it’s much more cost effective for us to work with third parties for certain aspects of our work.

These agencies include:

- **Campfire Marketing:** We work with Campfire on the strategic delivery of our individual giving campaigns. With their support, this year we developed our Sponsor a Friend initiative, a new Christmas Appeal and a new lottery product, the Friday Flutter.
- **Urban Leaf and Smile Fundraising:** These agencies work with us on our face-to-face and door-to-door campaigns. In 2018, they helped us recruit over 5,000 new regular donors.
- **Massive and Killer Creative:** These agencies have helped us to develop new mass participation events, which will be tested in 2019.

Fundraising practice

Independent Age is committed to following best practice and complies with all fundraising regulations. We are members of all fundraising regulatory bodies, including the Fundraising Regulator, Institute of Fundraising and the Information Commissioner’s Office. All of our partner agencies adhere to their relevant regulation.

Trustees' report

How we monitor fundraising activity

Independent Age and its agencies' monitoring guidelines include:

- regular meetings
- monitoring of performance and complaints
- training
- observing and shadowing
- keeping senior management and Trustees informed of performance
- regular consultation with other charities and regulatory bodies
- due diligence and data protection clauses in contracts.

Complaints

As expected, given the increase in our fundraising activity in 2018, the number of complaints we received increased slightly. We received 103 complaints in total (0.0004% of the total number of members of the public approached over the year), compared to 56 in 2017. All complaints were resolved. We ensure that we learn from all complaints and use them to improve our practice.

At Independent Age, we are especially aware that some supporters we come into contact with may be vulnerable or in a vulnerable situation. We therefore have a Supporters in Vulnerable Circumstances policy and are committed to providing appropriate support to vulnerable supporters and members of the public.

All of our face-to-face and door-to-door partner agencies that communicate with new or existing supporters are required to adhere to our policy and also have their own Vulnerable Person policies in place. Before working with any agency, we review their policy and attend all fundraiser training that covers talking to vulnerable people.

We always respect the privacy of supporters and potential supporters. We adhere to the EU's General Data Protection Regulation and our privacy policy is available on our website at www.independentage.org/our-privacy-and-cookies-policy.

Priorities for 2019

We aim to inspire many more supporters and partners to join us in changing the lives of older people today and in the future. This includes new ways of making one-off or regular donations, brand new challenge events, such as Run the One, and partnerships with more companies and funders that recognise the challenges facing older people across the UK.



What do you think old is?

"Old is not bad. It depends how you feel in yourself"

What are you looking forward to most about getting older?

"First of all I'd love to reach the age of 90 if possible"

Ann, 78, Newcastle upon Tyne



What do you think old is?

"I think old is fabulous"

What are you looking forward to most about getting older?

"Growing old disgracefully"

Ed, 34, Newcastle upon Tyne



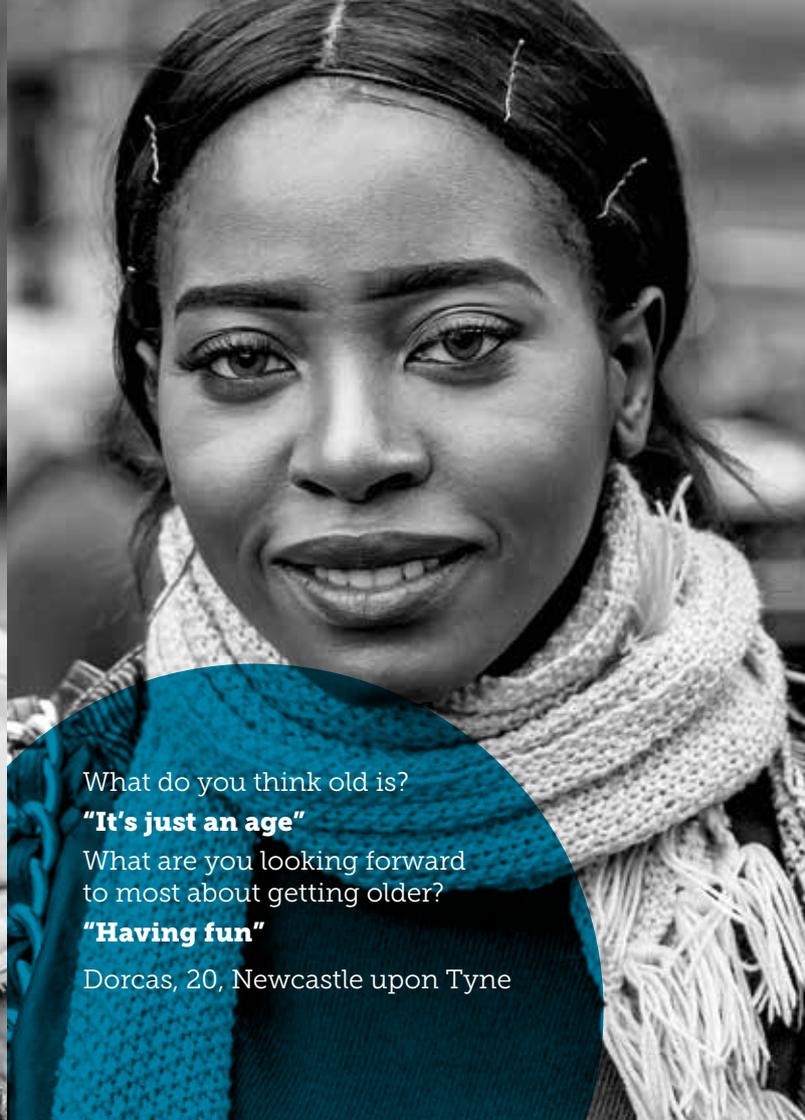
What do you think old is?

"Course your body gets older but your mind doesn't"

What are you looking forward to most about getting older?

"A little bit of peace in the world and society"

Fred, 70+, Newcastle upon Tyne



What do you think old is?

"It's just an age"

What are you looking forward to most about getting older?

"Having fun"

Dorcas, 20, Newcastle upon Tyne

Trustees' report

Volunteers.

We have a network of more than 2,000 committed volunteers across the UK, adding incredible value to our work in a range of different roles. They work alongside staff, out in the community and directly with the lonely people we support.

- Through regular visits, our volunteer visitors make a real difference over a cup of tea and a chat. Over time they build a friendship they can both enjoy.
- Our telephone volunteers enjoy regular catch-ups over the phone with the person they're matched with. Their calls bring joy as they discover common ground.
- Our local ambassadors spread the word about our services and champion our cause. They play an important role in helping to raise our profile in their local communities.

Our volunteers also get involved in assessing the needs of those who use our services, training and supporting their fellow volunteers, and helping out teams in our offices. We simply couldn't manage without them.

In return, they get to boost their skills, their confidence and, for those of working age, their CV. They also tell us how much they love being involved.

We have volunteers of every age, from 18+. Martin, one of our oldest at 98, shares why he loves being a telephone volunteer...

"After a fall 18 months ago, I broke my hip and now I can't stand up at all. I spend my life in a recliner chair, but I'm never depressed. I thoroughly enjoy being a telephone volunteer for Independent Age.

I lost my wife, Olive, 12 years ago which was awful. We'd been married for 64 years. I started volunteering for Independent Age in 2017. I call the lady I telephone 'Welsh Mary'. She's 85 and she's a wonderful lady.

Being a volunteer gives me an extra oomph. You don't get that feeling often. It's so important to look after people who are lonely. Social services do what they can, but this service from Independent Age is something special I'd never have thought of.

All my connections with Independent Age have been wonderful. The training that you get as a volunteer is excellent. Would I recommend Independent Age? Oh yes, rather! I think I look forward to the calls as much as Mary does – and she responds with joy."

Plans for the future: strategic objectives 2019

Over the coming year, we will focus on improving life for older people in the areas that matter to them: health and care, financial security and social connections. We will also conduct a comprehensive review of the issues they face and bring together decision makers from across the sector, along with our own supporters, to discuss the solutions in our first ever Independent Age conference, Older Matters.

Health and care

Finding answers to the enormous issues facing health and care services across the UK will not happen overnight, but we've made significant progress. By costing policy options around the care funding gap, we can engage the public with our Free Personal Care campaign to put pressure on politicians ahead of the next general election, as well as on other key aspects of healthy ageing. We will also launch a new fundraising product that will not only introduce a new income stream, but also encourage older audiences to exercise in a safe environment and have fun together.

Financial security

With pensioner poverty on the rise (currently 1.9 million pensioners live below the poverty line), we will continue to tackle the injustice of £3.5 billion in Pension Credit going unclaimed each year. This involves raising the profile of our advice and information services to ensure thousands more have a clear understanding of their benefit entitlements and how to make a claim.

Social connections

Plans to reduce loneliness and build the resilience of those affected are well underway. As well as expanding our friendship services, we will create new partnerships that help us to identify, fund and introduce innovative new local services proven to tackle the problems early. We will also continue to challenge ageist attitudes that create greater social isolation, preventing people living their life to the full.

Meanwhile, the Campaign to End Loneliness will be investigating opportunities to understand the psychological and emotional support needs of people experiencing loneliness, in keeping with its approach to use evidence, innovation and collaboration to find solutions.

Discrimination and rights

A further development from our research, underpinning each of our priorities above, focuses on discrimination and rights.

We are on the cusp of a new and potentially exciting era, where services to support the UK's rapidly ageing population require both radical new approaches and reforms, including a more positive point of view. To give an example:

"The NHS needs an army of volunteers to cope with the burden of the UK's rising elderly population", a leading doctor says.
Daily Mail, 21 December 2018

Challenging perceptions and highlighting the value older people bring to society, tackling discrimination and fighting for older people's rights will be at the heart of our new five-year strategy, which will be developed over the course of 2019.

Trustees' report

Financial review: Investing for greater impact

Results for 2018

The Consolidated Statement of Financial Activities on page 38 sets out the financial results as required by the Charity SORP. Overall the year saw a £14.6m reduction in reserves, primarily as a result of a 41% increase in charitable expenditure, from £9.86m in 2017 to £13.87m in 2018. A simplified presentation of the financial outcome by activity is as follows:

	2018 £000	2017 £000
Net voluntary income	2,302	1,239
Charitable activities		
Information and Advice	4,165	3,563
Wellbeing	4,255	3,309
Campaigning	4,047	2,563
	12,467	9,435
Regular Payments and Grants: Increase in Provision*	1,403	425
Expenditure on Charitable Activities	13,870	9,860
(Deficit) before returns from investments and pension gains/ (losses)	(11,568)	(8,621)
Net investment Gains and Income	(3,684)	20,140
Net pension gain/loss	685	838
Net Movement on Reserves	(14,567)	12,357

The deficit has been funded through utilising the Future Impact Fund as planned.

*The increase in the provision for regular payments and grants also includes the direct costs of managing and making payments to beneficiaries. Regular payments and grants are explained further on page 17.

Net voluntary income

The net voluntary income increased by 86% as follows:

	2018 £000	2017 £000
Donations	704	638
Income from Trusts	948	1,041
Legacies	3,031	825
Events	94	30
	4,777	2,534
Cost of Raising Voluntary Income	2,487	1,326
Other Income	12	31
Net Voluntary Income	2,302	1,239

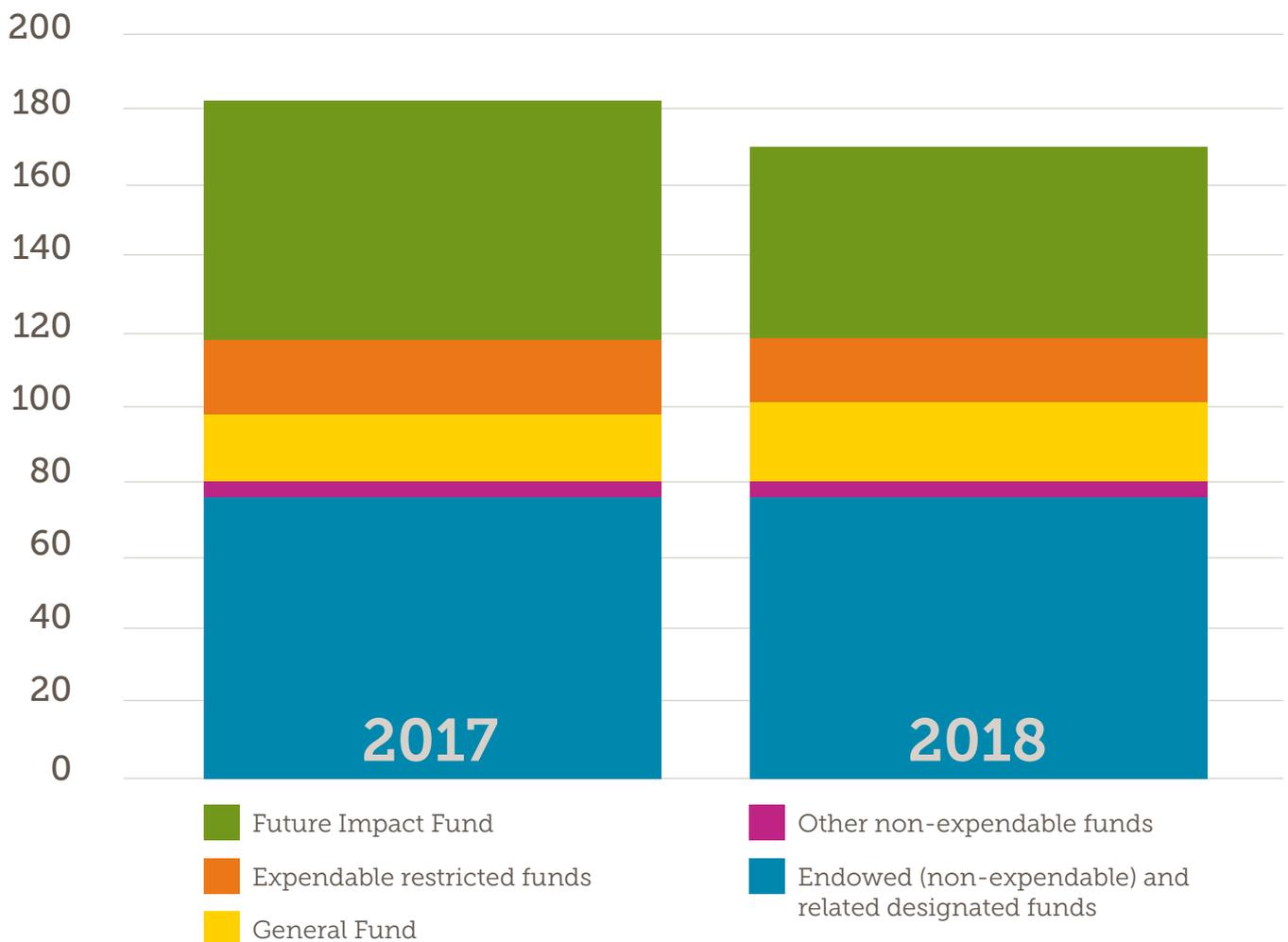
In 2018, we increased our investment in activities to generate support from individuals, charitable trusts and foundations, and companies. As a result, thousands of people supported us through a regular monthly gift, hundreds took up the challenge of a sponsored event and many made a wonderful contribution by including a gift to Independent Age in their will. Our continued investment to sustainably grow our voluntary income is critical to the impact we can make on the lives of older people today and in years to come.

Expenditure on charitable activities

2018 saw an increase in expenditure of 41%, from £9.86m in 2017 to £13.87m in 2018, resulting in a greater impact being achieved by the charity, as described in this report. Our charitable expenditure accounted for 83p of every £1 of spending in 2018, 84p in 2017. The budget for 2019 anticipates a further increase in expenditure and utilisation of the Future Impact Fund.

We paid £1.1m (2017: £1.3m) 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 1,409 compared to 1,583 at the end of 2017 (see Note 16 to the accounts for further details on the provision in respect of these obligations).

Reserves (£s millions)



Total funds decreased by £14.6m in the year. The general reserve, which is maintained at a level equivalent to one year’s unfunded budgeted expenditure, was increased by £4.9m to reflect the anticipated increase on expenditure for 2019. This increase and the increase in expenditure on activities in 2018 was largely funded by the Future Impact Fund, which decreased by £16.9m in the year, reflecting the Trustees’ ambition to use this fund to increase our impact.

Trustees' report

Investment Income and Capital Gains and Losses

Up to the end of 2018, the charity aimed to generate an average total return (including both income and capital) on the whole non-cash portfolio of 3.9% pa above inflation (measured by the Consumer Price Index (CPI)) over rolling periods of five years. Based on opening investments of £186.6m, the charity would therefore have expected on average to generate a total return of around £10m in 2018. As a result of unsettled global markets, the investments delivered a negative total return of £3.3m (£3.6m including costs), of which a negative return of £2.4m has been retained in the Unapplied Total Return Fund, after uplifting the value of the endowed funds by CPI to maintain their real value as established within the provisions of the Total Return Investment regulations. The negative balance in the Unapplied Total Return Fund will be held until future returns on the investments eliminate it. While on a one-year basis the return is disappointing, we measure our benchmark on a five-year rolling average. At the end of March 2019, when completing the first five years of the current investment strategy, the average total return was 6.8%.

In 2018, the charity diversified further its investment portfolio to better align with its reserves policy. This also helped to mitigate the adverse impact of the downturn in investment markets on the charity's portfolio returns during the final quarter of 2018. Following the year end, the portfolio was further rebalanced to ensure that funds required to meet expected expenditure funded from the Future Impact Fund are held in lower volatility investments; this is likely to lead to a slight dilution in future investment returns, but also lower risk.

During the first quarter of 2019, the long-term portfolio recovered substantially providing a total return of c£8.8m.

Reserves Policy

The Reserves Policy has been reviewed and updated. The detail of the policy is as follows:

Endowed Funds: These are permanent endowments and Trustees have elected to maintain the capital value in real terms; the 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 applied to 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 return of 3.9% pa above CPI on a rolling five-year basis over the long term. The charity therefore plans each year for approximately £2.2m to fund charitable activity from the return on the endowments. Should any year experience a negative return, as in 2018, 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.

Restricted Reserves: These are funds that 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: Trustees have discretion on how these funds 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 non-restricted reserves has been designated as the Future Impact Fund to be utilised in the near to medium term to partly fund our activities. 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 may 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, as has happened in 2018.

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 protected by the reserve above) to protect the activity of the charity. Trustees consider that this is sufficient to fund short-term falls in income or increases in expenditure due to unforeseen circumstances while protecting the work funded in future years by the Future Impact Fund.

Trustees' report

Tangible and Intangible Fixed Assets 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 where possible 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 Financial Statements.

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.

The charity utilised £10m of investment capital to fund activities during the year. This, combined with a downturn in investment markets, took the total value of our investments from £186,610k in 2017 to £168,929k in 2018. The composition of the investment portfolio at 31 December 2018 is set out in Note 12 to the Financial Statements.

2018 saw implementation of Trustee approval to invest £10m in a non-quoted infrastructure fund as an alternative to Fixed Income Funds. The overseas equity portfolio was also liquidated and replaced with new active and passive global equities funds. In addition, the investment in the UK Equity Smaller Companies Fund was liquidated in order to crystallise the past gains on the investment and increase the charity's liquidity given the uncertainty in investment markets.

The investment strategy is continually reviewed. During the year, the Investment Sub-Committee recommended further diversification of the portfolio to mitigate any potential market downturn effect on the charity's portfolio. This recommendation was agreed by the Trustees and a shorter-term portfolio was created, incorporating lower-risk investment assets and a Multi-Asset Credit Fund. To protect the charity's reserves, in the face of adverse market conditions in the final quarter of 2018, the Trustees also agreed to increase total holdings in lower-risk investment assets equating to three years of charitable expenditure. This was completed in the first month after the year end.

The charity has adopted a Total Return Policy. The overall return for the year, a combination of income and capital growth, on the long-term portfolio was -3.3%. At the end of March 2019 when we completed the first five years of the current investment strategy, the average total return pa was 6.8%. The target investment return will be changed in 2019 to reflect the division of the portfolio between the long-term and short-term elements.

The Trustees have agreed to reflect the alignment of investment assets with reserves funds on the application of total return to funds starting from 2019.

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 charity requires its investment managers to manage the investments in a responsible manner and to maintain an active voting policy on behalf of the charity whenever possible. The charity does not negatively screen investments using any ethical or social responsibility filters.



What do you think old is?

"Old is... it would be nice to be young again!"

What are you looking forward to most about getting older?

"Seeing our grandchildren grow up"

Doreen and Peter, 77, Barnsley



What do you think old is?

"Age is a number, nothing more"

What are you looking forward to most about getting older?

"Not having to have the grandchildren every other weekend!"

Keith and Irene, 65+, Newcastle upon Tyne

Trustees' report

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 below summarises the financial activities of the Campaign.

	2018			2017		
	Campaign to End Loneliness £000	Independent Age £000	Total Charity £000	Campaign to End Loneliness £000	Independent Age £000	Total Charity £000
Summary Statement of Financial Activities						
Income	730	8,927	9,657	794	5,323	6,117
Expenditure	1,268	15,108	16,376	798	10,748	11,546
Operating (Deficit)/Surplus	(538)	(6,181)	(6,719)	(4)	(5,425)	(5,429)
(Losses)/gains on investment assets	0	(8,459)	(8,459)	0	16,993	16,993
Net Income	(538)	(14,640)	(15,178)	(4)	11,568	11,564
Other recognised gains	0	691	691	0	885	885
Net movement in Funds	(538)	(13,949)	(14,487)	(4)	12,453	12,449
Transfer of funds	414	(414)	0	112	(112)	0
Balance brought forward 1 January	198	184,286	184,484	90	171,945	172,035
Fund balances carried forward at 31 December	74	169,923	169,997	198	184,286	184,484
Summary Balance Sheet						
Fixed assets	0	173,580	173,580	0	191,498	191,498
Current Assets	501	5,152	5,653	240	2,322	2,562
Creditors falling due within one year	(427)	(2,438)	(2,865)	(42)	(1,801)	(1,843)
Total assets less current liabilities	74	176,294	176,368	198	192,019	192,217
Creditors falling due after one year	0	(7,137)	(7,137)	0	(7,123)	(7,123)
Net assets excluding pension liability	74	169,157	169,231	198	184,896	185,094
Defined pension liability	0	766	766	0	(610)	(610)
Net assets including pension liability	74	169,923	169,997	198	184,286	184,484
Endowed funds	0	56,025	56,025	0	57,210	57,210
Restricted funds	74	18,579	18,653	198	19,967	20,165
Designated funds	0	75,831	75,831	0	92,562	92,562
General funds	0	19,488	19,488	0	14,547	14,547
Total Funds	74	169,923	169,997	198	184,286	184,484
Summary Cashflow						
Net income for the year	(538)	(14,640)	(15,178)	(4)	11,568	11,564
Non-cash movements	376	1,346	1,722	5	(21,317)	(21,312)
Net cash flow generated (used) by operating activities	(162)	(13,294)	(13,456)	1	(9,749)	(9,748)
Net purchase of fixed assets	0	(79)	(79)	0	(98)	(98)
Net sale of investments	0	9,222	9,222	0	5,792	5,792
Net income from investments	0	5,088	5,088	0	3,606	3,606
Transfer of funds	414	(414)	0	112	(112)	0
Net cash flow	252	523	775	113	(561)	(448)
Cash and cash equivalents at 1 January	203	529	732	90	1,090	1,180
Cash and cash equivalents at 31 December	455	1,052	1,527	203	529	732

For the purposes of the table on the previous page, 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.

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.

The Campaign to End Loneliness operates as a department within Independent Age with a widely drawn Management Committee reflecting the strength of the coalition 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 & 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.

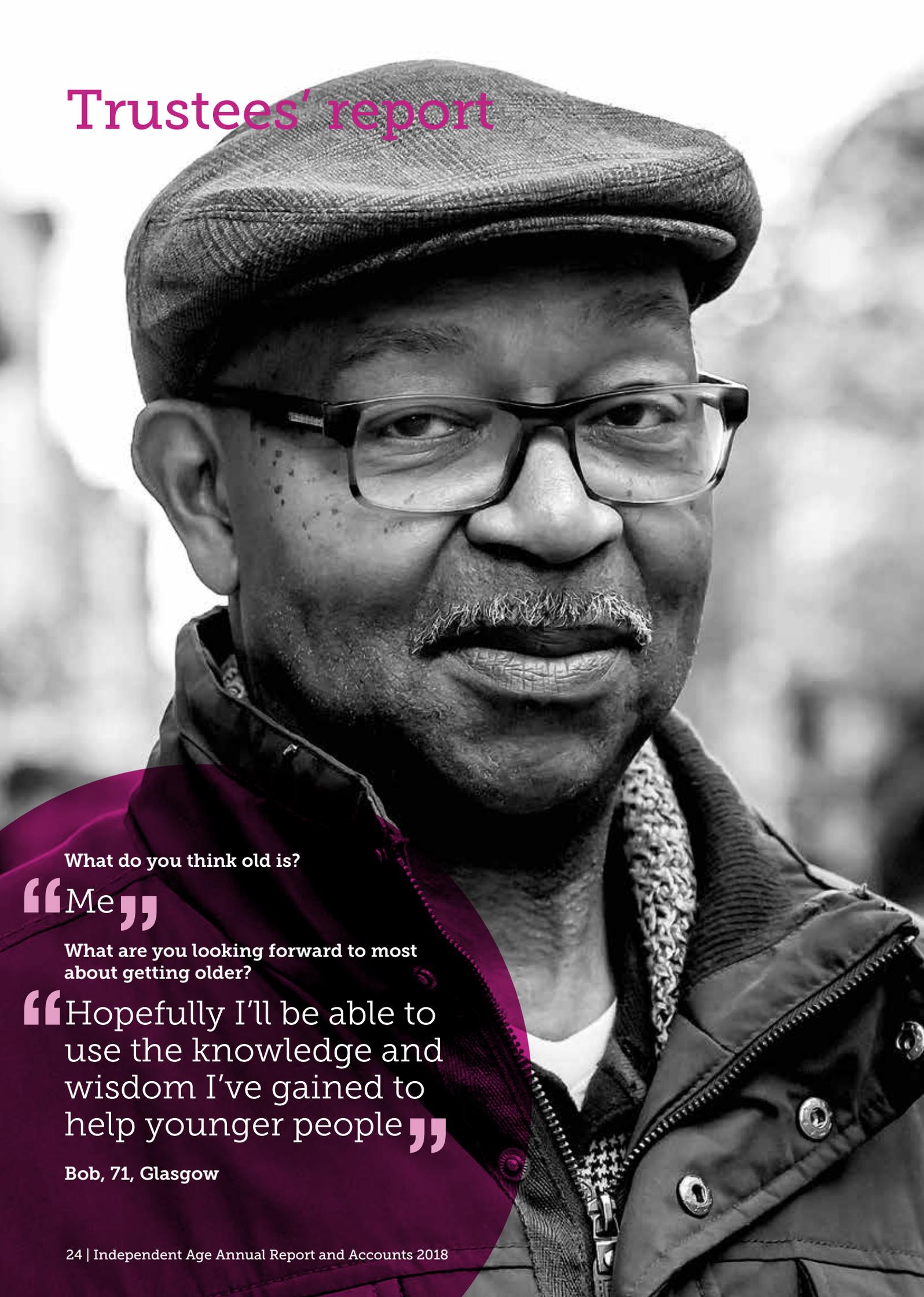
The results of Independent Age Enterprises Limited are not consolidated because actual expenditure or financial impact of this subsidiary are immaterial in the context of the charity. Details of Counsel and Care can be found on the Charity Commission website; a summary of results is shown in Note 20 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 that allows the Board to monitor and manage risks to the charity, which in outline is as follows:

- preventable risks: managed through the operating risk register
- strategic risks: considered as part of the planning and budgeting process. The key themes are set out over the page.

Trustees' report



What do you think old is?

“Me”

What are you looking forward to most about getting older?

“Hopefully I’ll be able to use the knowledge and wisdom I’ve gained to help younger people”

Bob, 71, Glasgow

- external risks: primarily considered through the strategic planning and budgeting processes by exploring potential scenarios.

The following commentary outlines the strategic risks which, in brief, are those risks that could prevent us from achieving the impact we want: for example, if our delivery is ineffective or the organisation becomes unsustainable through poor use of resources or reputational damage.

- **Governance:** Our governance structures need to be robust with clarity over roles and responsibilities. We aim to achieve this through Trustee succession planning, clarity on terms of reference for committees, clear job descriptions and through our assurance processes ensuring compliance and management of our legal and regulatory obligations.
- **Strategic focus:** To be impactful the charity needs to have a clear strategic focus and objectives. This is achieved through the annual planning and budget cycle and longer-term strategy and multiyear plans. We have a range of reporting processes to provide feedback on progress.
- **Service development and innovation:** Our services need to be impactful and safe. We use KPIs and metrics that are continually being reviewed and developed to give feedback on the delivery of our services. New developments are subject to review and oversight by the Board. We ensure our delivery is safe through the implementation of safeguarding and whistleblowing policies, procedures and compulsory training plus effective management of our staff and volunteers.

- **Capability and capacity:** Everything we do is dependent on our staff and volunteers. We invest in our people, use staff engagement surveys, and monitor turnover and sickness to help ensure we retain and develop our people.
- **Data:** All our work is dependent on data insight to monitor progress and support continuous improvement, innovation and development. We continually invest in our business systems and data insight processes. We also ensure our data protection policies and processes protect the charity.
- **Financial resources:** Our financial resources need to be aligned to our activities. This risk is managed through our reserves and investment policies and financial planning and reporting processes. There is oversight by the relevant Trustee committees over internal controls and investment management, and this is supported by an internal audit programme.

Trustees

At 31 December 2018, the Board had 11 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 2018 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):** responsible for oversight of the development and growth of our services in support of our strategy. The SDC met six times during 2018.

Trustees' report

- 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 statutory reporting, pensions, internal and external audit, people, organisational development, IT and risk management arrangements. The FRC meets quarterly. It has one sub-committee, the Investment Sub-Committee.

- Nominations and Remuneration

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 2018, the charity was organised into four divisions, in addition to the Chief Executive's small team, which grew to include Innovation, a new activity aiming to expand ways we help older people.

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 our staff.

- **Policy and Influencing:** is responsible for delivering our policy, campaigning work and research.

- **Engagement:** 2018 was the first full year of our new Engagement Directorate, bringing together our marketing, communications and fundraising teams.

- **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 SMT comprises 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 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.

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 that 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 30 May 2019 and signed on its behalf by:



Dr Justine Frain

Chair of the Board of Trustees



What do you think old is?

"Old is a natural process that everybody must go through"

What are you looking forward to most about getting older?

"Being wiser"

Honorata, 26, Barnsley

Independent auditor's report to the Trustees of Independent Age

Opinion

We have audited the financial statements of Independent Age (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2018, and of the group's 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 Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

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 group and parent 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 group's or parent 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 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 (Accounts and Reports) Regulations 2008 or the Charities Accounts (Scotland) Regulations 2006 require 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 or proper accounting records have not been kept; or
- the parent charity's 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 page 28, 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 group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

MHA MacIntyre Hudson

MHA MacIntyre Hudson

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

Date: *11 June 2019*

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

Administrative information

Charity information

Independent Age is the operating name of The Royal United 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.

Trustees

Tracey Bleakley (until January 2019)

Jo Cleary (until February 2018)

Mike Craston

Vivienne Dews

Dr Justine Frain (Chair from February 2018)

Prof Martin Green OBE

Richard Gutch (until July 2018)

John Hannaford ACA (Treasurer)

Simon Inchley

Estelle McCartney

Paul Richardson

Noel Shanahan (until December 2018)

Dame Helena Shovelton

James Steel

Denise Wilkinson OBE (until July 2018)

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 (until March 2019)

Senior Management Team

Janet Morrison, Chief Executive (until January 2019)

Shān Nicholas, Interim Chief Executive (from January 2019)

Lucy Harmer, Director of Services

Biagio Borromeo, Director of Engagement

John Tranter, Director of Resources

George McNamara, Director of Policy and Influencing (from March 2018)

Laura Alcock-Ferguson, Executive Director, Campaign to End Loneliness

Professional advisers

Independent auditors

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

Principal bankers

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PO Box 281
156 Fleet Street
London EC4A 2DX

Insurance broker

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Solicitors

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London EC4R 1BE

Investment advisers

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London W1U 1DQ

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Edinburgh EH1 3AN

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

Schroder Investment Management
Limited
31 Gresham Street
London EC2V 7QN

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

Legal & General Investment Management
Limited
One Colman Street
London EC2R 5AA

M&G Securities Limited
Laurence Pountney Hill
London EC4R 0HH

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2 D02 HD32, Ireland

JP Morgan Institutional Investments Inc.
270 Park Avenue, Floor 7
New York, 10017

Charter Members

as at 31 December 2018

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	1999 Mr A M Hogg
2003 Mr U D Barnett	2006 Mr T J Howe
2010 Ms E C Best	1990 Dr T G Hudson
2017 Ms T Bleakley (to January 2019)	2005 Mrs F C Hughes
1995 Miss M C L Boggis	2008 Mr R Humphries
2006 Mr R D H Bryce	2017 Mr S Inchley
2009 Mr S Burke	2012 Stella Kyriazis, Countess Caridi
2009 Mr P Cann	2009 Mrs C Loyd
2005 Mrs J M Casimir	1986 Mrs I Macdonald
2008 Ms S Collins	2013 Ms E McCartney
2016 Mr M Craston	2017 Ms H Mustafa
2012 Ms M Dangoor	2010 The Rt. Hon. the Baroness Neuberger
2012 Mr T Dennis	2002 Mrs P A O'Brien
2016 Ms V Dews	2012 Mr G Patterson
2003 Mr N G E Driver	1985 Mr P G Pollock
2003 Mr P W Fane	2004 Mr H M Priestley
2012 Mrs F Findlay	1989 Mr W Rathbone OBE
2011 Dr J Frain	2016 Mr P Richardson
2009 Prof M Green OBE	2013 Ms L Romeo
2016 Mr J Hannaford	2014 Dame Helena Shovelton
2004 Mr M A Hayes	2013 Mr J Steel
1996 Miss D A K Hayman	1985 Mr J G Tregoning
2012 Miss P Hibbs	1999 Mr W G Underwood
2012 Miss D Hodson	



**"Old is knowing
life a lot more"**



**"Old is down to
the individual"**





"Try and keep going as best as I can"



"If you're determined to feel old, that's what old is"

Financial Statements

Consolidated Statement of Financial Activities

for the year ended 31 December 2018

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Year to 31 December 2018 Total funds £000	Year to 31 December 2017 Total funds £000
Income and endowments from:						
Donations and legacies	2	3,807	876	-	4,683	2,504
Raising funds – events		94	-	-	94	30
Investment income	3	2,941	558	1,589	5,088	3,606
Other income						
Other income		11	1	-	12	31
Total income and endowments		6,853	1,435	1,589	9,877	6,171
Expenditure on:						
Raising funds						
Raising voluntary income	4	2,487	-	-	2,487	1,326
Investment and property management		179	35	99	313	459
Total cost of fundraising		2,666	35	99	2,800	1,785
Charitable activities						
Information and Advice	4	3,304	861	-	4,165	3,563
Wellbeing	4	4,255	-	-	4,255	3,309
Campaigning	4	2,779	1,268	-	4,047	2,563
Regular Payments and Grants	4, 16	1,145	258	-	1,403	425
Total cost of charitable activities		11,483	2,387	-	13,870	9,860
Other expenditure						
Pension – net interest cost	17	6	-	-	6	47
Total expenditure		14,155	2,422	99	16,676	11,692
Operating (deficit)/surplus		(7,302)	(987)	1,490	(6,799)	(5,521)
(Losses)/Gains on investment assets	12	(4,845)	(939)	(2,675)	(8,459)	16,993
Net income		(12,147)	(1,926)	(1,185)	(15,258)	11,472
Transfers between funds	18	(414)	414	-	-	-
Other recognised gains/(losses)						
Actuarial gain on defined benefit pension scheme	17	691	-	-	691	885
Net movement in funds		(11,870)	(1,512)	(1,185)	(14,567)	12,357
Fund balances brought forward at 1 January		107,295	20,165	57,210	184,670	172,313
Fund balances carried forward at 31 December	18	95,425	18,653	56,025	170,103	184,670

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 2017 of the above Consolidated Statement of Financial Activities have been restated to include Counsel and Care for the Elderly and are shown in Note 22.

Group and Charity Balance Sheets

as at 31 December 2018

	Notes	Group 2018 Total funds £000	Group 2017 Total funds £000	Charity 2018 Total funds £000	Charity 2017 Total funds £000
Fixed assets					
Tangible assets	8	2,156	2,201	2,156	2,201
Intangible assets	9	99	278	99	278
Investment properties	10	2,300	2,300	2,300	2,300
Investments	12	168,929	186,610	168,929	186,610
Concessionary loans	13	96	109	96	109
Total fixed assets		173,580	191,498	173,580	191,498
Current assets					
Assets held for sale	11	715	755	715	755
Debtors	14	3,483	1,216	3,431	1,075
Short-term deposits		86	89	86	89
Cash at bank and in hand		1,475	688	1,421	643
Total current assets		5,759	2,748	5,653	2,562
Creditors: amounts falling due within one year	15	(2,865)	(1,843)	(2,865)	(1,843)
Net current assets		2,894	905	2,788	719
Total assets less current liabilities		176,474	192,403	176,368	192,217
Creditors: amounts falling due after more than one year	16	(7,137)	(7,123)	(7,137)	(7,123)
Net assets excluding pension liability		169,337	185,280	169,231	185,094
Defined benefit pension liability	17	766	(610)	766	(610)
Net assets including pension liability		170,103	184,670	169,997	184,484
The funds of the charity					
Endowed funds	18	56,025	57,210	56,025	57,210
Restricted funds		18,653	20,165	18,653	20,165
<i>Unrestricted funds</i>					
Designated funds		75,831	92,562	75,831	92,562
General fund		19,594	14,733	19,488	14,547
Total unrestricted funds		95,425	107,295	95,319	107,109
Total charity funds		170,103	184,670	169,997	184,484

Approved by the Board of Trustees and authorised for issue on 30 May 2019 and signed on their behalf by:



Dr Justine Frain
Chair

Notes 1 to 22 form part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2018

		2018 £000	2017 £000
Net cash outflow from operating activities	Note 21		
Net cash used in operating activities		(13,449)	(9,737)
Cash flow from investing activities			
Payments to acquire tangible fixed assets	8	(72)	(41)
Payments to acquire intangible fixed assets	9	(7)	(57)
Payments to acquire investments	12	(127,373)	(18,849)
Receipts from sales of investments and cash transfers		136,597	24,641
Interest received	3	105	430
Dividends received	3	4,921	3,097
Rents received from investment properties	3	62	79
Net cash flow from investment activities		14,233	9,300
Net increase/(decrease) in cash and cash equivalents		784	(437)
Cash and cash equivalents at 1 January		777	1,214
Cash and cash equivalents at 31 December		1,561	777
		2018 £000	2017 £000
Cash and cash equivalents		1,475	688
Short-term deposits		86	89
Cash and cash equivalents		1,561	777

Cash and cash equivalents include £455k (£203k in 2017) 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 2018

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 Consolidated Statement of Financial Activities and Group Balance Sheet consolidate the financial statements of Independent Age and Counsel and Care for the Elderly (Counsel and Care) – a registered charity (203429), and a limited company (645708). For the purpose of financial statements, Independent Age is deemed to control 100% of Counsel and Care as it is the sole legal member. The results of Counsel and Care are consolidated on a line-by-line basis. The income, expenditure and funds of Counsel and Care can be seen in Note 18 and a summary of results is shown in Note 20.

In the prior accounting period the financial performance of Counsel and Care for the Elderly was not consolidated. This treatment was in line with the Charities SORP. For the avoidance of doubt the comparatives in these Financial Statements are restated to consolidate the results of the subsidiary.

The Consolidated Statement of Financial Activities and Group Balance Sheet do not include 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 Independent Age Enterprises Limited being its sole shareholder. However, actual income and expenditure or financial impact of this subsidiary are immaterial in the context of the Charity, therefore its results are not consolidated. Summary trading results for IAE Ltd are shown in Note 12.

The net movement of funds of Independent Age, the charity, was £14,640k (£11,568k in 2017).

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 FE 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 1 c) 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 have chosen 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. 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 it.

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 adviser of the dividend yield of the investment portfolio. This also applies to returns on accumulation units held in pooled funds, which are reinvested by default.

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 and 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 comprise 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, the costs of compliance such as audit fees and staff time spent serving the committees. 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 individual 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% [2017: 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 same discount rate used for the defined benefit pension scheme. 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 unwinding 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 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

Current year	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2018 £000
Donations	687	17	-	704
Income from Trusts	89	859	-	948
Legacies	3,031	-	-	3,031
	3,807	876	-	4,683

Income from Trusts includes £711,266 (2017: £789,336) in restricted grant funding relating to the Campaign to End Loneliness of which £662,501 was received from the National Lottery Community Fund (2017: £749,336).

Previous year	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2017 £000
Donations	634	4	-	638
Income from Trusts	99	942	-	1,041
Legacies	825	-	-	825
	1,558	946	-	2,504

3 Investment income

Current year	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2018 £000
Fixed interest income	62	11	32	105
Dividend income	2,817	547	1,557	4,921
Investment property rental income	62	-	-	62
	2,941	558	1,589	5,088

Previous year	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2017 £000
Fixed interest income	214	52	164	430
Dividend income	1,542	371	1,184	3,097
Investment property rental income	79	-	-	79
	1,835	423	1,348	3,606

4 Expenditure allocations

Current year	Voluntary Income £000	Information and Advice £000	Wellbeing £000	Campaigning £000	Payments and Grants £000	Marketing and Comms £000	2018 Total £000
Staff costs	630	985	1,832	1,285	7	820	5,559
Non staff costs	2,080	574	402	857	1,390	1,473	6,776
Subtotal – Direct costs	2,710	1,559	2,234	2,142	1,397	2,293	12,335
Support costs	399	847	1,452	768	6	550	4,022
Subtotal – All costs	3,109	2,406	3,686	2,910	1,403	2,843	16,357
Reallocation – Fundraising	(622)	622	-	-	-	-	-
Reallocation – Marketing and Comms	-	1,137	569	1,137	-	(2,843)	-
Subtotal allocated costs	2,487	4,165	4,255	4,047	1,403	-	16,357
Investment and property management							313
Pension – Other finance expenditure							6
Total expenditure							16,676
Previous year	Voluntary Income £000	Information and Advice £000	Wellbeing £000	Campaigning £000	Payments and Grants £000	Marketing and Comms £000	2017 Total £000
Staff costs	467	925	1,510	711	12	626	4,251
Non staff costs	822	885	264	556	403	565	3,495
Subtotal – Direct costs	1,289	1,810	1,774	1,267	415	1,191	7,746
Support costs	368	761	1,205	636	10	460	3,440
Subtotal – All costs	1,657	2,571	2,979	1,903	425	1,651	11,186
Reallocation – Fundraising	(331)	331	-	-	-	-	-
Reallocation – Marketing and Comms	-	661	330	660	-	(1,651)	-
Subtotal allocated costs	1,326	3,563	3,309	2,563	425	-	11,186
Investment and property management							459
Pension – Other finance expenditure							47
Total expenditure							11,692

Direct Campaigning costs include £854,168 (2017: £797,944) relating to the Campaign to End Loneliness. On behalf of the original founding partnership, 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 2018 £000	Staff costs £000	Non staff costs £000	Total 2017 £000
Chief Executive's Office	188	54	242	174	80	254
Director of Resources	137	97	234	217	100	317
Facilities	84	515	599	55	280	335
ICT	453	689	1,142	379	792	1,171
HR	579	823	1,402	275	592	867
Finance	267	53	320	289	108	397
Governance	44	39	83	42	57	99
Allocated	1,752	2,270	4,022	1,431	2,009	3,440

Governance costs	2018 £000	2017 £000
External audit fees	33	34
Legal and other professional fees	-	3
Trustee recruitment fees	-	12
Trustees' meetings including expenses and AGM	6	8
Staff costs	44	42
Total Governance costs	83	99

The apportionment of support costs was made pro-rata to the number of staff full-time equivalent 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

	2018 £000	2017 £000
Salaries	5,792	4,519
Temporary staff costs	405	346
Employer national insurance	608	476
Employer pensions contributions	506	340
	7,311	5,681
Redundancy and termination payments	99	208
	7,410	5,889

Total remuneration of the Key Management Personnel (which comprise the Trustees with the Senior Management Team, consisting of the Chief Executive and Directors), including pension and national insurance contributions, was £696,480 (2017: £619,124).

No Trustees received nor waived any remuneration.

Redundancy and termination costs arose due to a restructuring of the charity to ensure we had the right structures in place to deliver our ambitious strategy to increase impact.

6 Average monthly staff numbers

	2018	2017
Information and Advice (including Regular Payments and Grants)	22	21
Wellbeing	44	36
Campaigning	23	18
Fundraising	11	10
Marketing and Communications	14	12
Support	24	20
	138	117

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

	2018	2017
£60,001 – £70,000	6	6
£70,001 – £80,000	2	1
£80,001 – £90,000	0	2
£90,001 – £100,000	3	1
£100,001 – £110,000	0	1
£110,001 – £120,000	1	1
	12	12

8 Tangible fixed assets

	Freehold Buildings £000	Plant and Machinery £000	Fixtures, Fittings and Equipment £000	TOTALS £000
Cost				
As at 1 January 2018	1,215	1,119	532	2,866
Additions	-	-	72	72
Disposals	-	-	(160)	(160)
TOTAL	1,215	1,119	444	2,778
Depreciation				
As at 1 January 2018	74	189	402	665
Depreciation charge in the year	24	56	37	117
Disposals	-	-	(160)	(160)
TOTAL	98	245	279	622
Net book value				
As at 31 December 2018	1,117	874	165	2,156
As at 31 December 2017	1,141	930	130	2,201

9 Intangible fixed assets

	Computer Software £000	TOTALS £000
Cost		
As at 1 January 2018	642	642
Additions	7	7
TOTAL	<u>649</u>	<u>649</u>
Amortisation		
As at 1 January 2018	364	364
Amortisation charge in the year	186	186
TOTAL	<u>550</u>	<u>550</u>
Net book value		
As at 31 December 2018	<u>99</u>	<u>99</u>
As at 31 December 2017	<u>278</u>	<u>278</u>

10 Investment properties

	2018 £000	2017 £000
As at 1 January	2,300	3,055
Transfer to Assets held for sale	-	(755)
As at 31 December	<u>2,300</u>	<u>2,300</u>
Historical cost	2,325	2,325

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

	2018 £000	2017 £000
As at 1 January	755	755
Impairment	(40)	
As at 31 December	<u>715</u>	<u>755</u>
Historic cost	755	755

During 2018, the property placed on the market for sale was impaired to reflect the market value of the asset.

12 Investments

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2018 £000	2017 £000
Quoted investments	86,719	18,098	45,998	150,815	179,831
Quoted liquid funds	7,634	-	-	7,634	6,779
Non-quoted investments	-	-	10,480	10,480	-
Investments held with fund managers	94,353	18,098	56,478	168,929	186,610

Reconciliation of investments held with fund managers

	2018 £000	2017 £000
Market value at 1 January	186,610	175,408
Additions	127,373	18,849
Disposals	(125,326)	(27,434)
Net unrealised gains	(8,459)	16,993
Movement in cash	(11,269)	2,794
Market value at 31 December	168,929	186,610
Historical cost at 31 December	166,859	159,271

Investments held with fund managers – analysis by type

	2018 £000	2017 £000
UK equities – FTSE350	40,788	68,810
UK equities – smaller companies	-	8,718
Global equities	44,575	46,568
Fixed income	-	12,767
Diversified growth funds	40,867	42,968
Infrastructure	10,480	-
Multi-asset credit	24,585	-
Quoted liquid funds	7,634	6,779
	168,929	186,610

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, 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.

	2018 £	2017 £
Turnover	26,705	29,270
Cost of sales and administration costs	26,705	29,270
Interest receivable	-	-
Net profit	-	-
Amount gift aided to the charity	-	-
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	9,052	18,700
Current liabilities	(9,051)	(18,699)
Shareholder's funds/total net assets	1	1

13 Concessionary Loans

	2018 £000	2017 £000
Loan balance as at 1 January	361	385
Loans repaid	(23)	-
Loans written off	(13)	(24)
Total loans outstanding	<u>325</u>	<u>361</u>
Provision	<u>(229)</u>	<u>(252)</u>
	<u>96</u>	<u>109</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

	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
Debtors	30	9	8	9
Other debtors	97	69	119	69
Prepayments	460	173	460	173
Accrued income	2,896	965	2,891	824
	<u>3,483</u>	<u>1,216</u>	<u>3,478</u>	<u>1,075</u>

15 Creditors: amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Charity 2018 £000	Charity 2017 £000
Trade creditors	1,270	297	1,270	297
Regular payment liability (Note 16)	1,054	1,193	1,054	1,193
Other creditors	67	107	67	107
Accruals	109	246	109	246
Deferred income	365	-	365	-
	<u>2,865</u>	<u>1,843</u>	<u>2,865</u>	<u>1,843</u>

Movement in deferred income

	Charity 2018 £000	Charity 2017 £000
Deferred income brought forward	-	21
Amounts released in the year	-	(21)
Amounts deferred in the year	365	-
Deferred income carried forward	<u>365</u>	<u>-</u>

16 Reconciliation of Regular Payments

	2018 £000	2017 £000
Commitments at 1 January	8,316	9,234
Movement in provision	1,012	362
Amount paid in the year	(1,137)	(1,280)
Commitments at 31 December	<u>8,191</u>	<u>8,316</u>
Payable within one year – see Note 15	1,054	1,193
Payable after one year	<u>7,137</u>	<u>7,123</u>
Commitments at 31 December	<u>8,191</u>	<u>8,316</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. We reassessed the methodology for calculating the net present value on a more prudent basis. At 31 December 2018, the number of annuitants was 1,409, 174 fewer than at the same date in the previous year (2017: 1,583). The discount factor increased from 2.26% to 2.75%. Taking into account the movements in the factors above, there was a small reduction in the overall liability.

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 paid contributions at the rate of 26.7% pa of members' earnings in respect of non-contributory members and 20.7% pa of members' earnings in respect of contributory members. In addition, the employer paid £764,000 pa in respect of the funding shortfall and £62,515 pa in respect of scheme expenses. From 1 April 2018, the employer paid contributions at the rate of 38.3% pa of members' earnings in respect of non-contributory members and 32.3% pa of members' earnings in respect of contributory members. In addition, the employer will pay lump sums of £908,000 pa 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 also paid £63,000 pa 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% pa of members' earnings in respect of contributory members only.

PRESENT VALUES OF DEFINED BENEFIT ASSET/(OBLIGATION), FAIR VALUE OF ASSETS AND DEFINED BENEFIT LIABILITY

	31 December 2018	31 December 2017	31 December 2016
	£000	£000	£000
Fair value of plan assets	20,933	20,786	19,024
Present value of defined benefit obligation	(19,401)	(21,396)	(21,191)
Surplus/(deficit) in plan	1,532	(610)	(2,167)
Unrecognised surplus	(766)	-	-
Defined benefit asset/(liability) to be recognised	766	(610)	(2,167)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Year ending 31 December 2018	Year ending 31 December 2017
	£000	£000
Defined benefit obligation at start of period	21,396	21,191
Current service cost	108	92
Expenses	84	84
Interest expense	516	550
Contributions by plan participants	17	18
Actuarial (gains)/losses	(1,922)	497
Benefits paid and expenses	(896)	(1,036)
Impact of GMB Equalisation	98	-
Defined benefit obligation at end of period	19,401	21,396

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

	Year ending 31 December 2018 £000	Year ending 31 December 2017 £000
Fair value of plan assets at start of period	20,786	19,024
Interest income	510	503
Actuarial (losses)/gains	(465)	1,382
Contributions by the employer	981	895
Contributions by plan participants	17	18
Benefits paid and expenses	(896)	(1,036)
Fair value of plan assets at end of period	20,933	20,786

The actual return on the plan assets over the year ending 31 December 2018 was £45,000.

DEFINED BENEFIT COSTS RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES

	Year ending 31 December 2018 £000	Year ending 31 December 2017 £000
Current service cost (included within Staff costs)	108	92
Expenses (included within Staff costs)	84	84
Net interest cost	6	47
Losses/(gains) due to benefit changes	98	-
Defined benefit costs recognised in Statement of Financial Activities	296	223

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

	Year ending 31 December 2018 £000	Year ending 31 December 2017 £000
Return on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(465)	1,382
Experience gains and losses arising on the plan liabilities (loss)	(85)	(89)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	2,007	(408)
Effects of change in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)	(766)	-
Actuarial gain/(loss) on defined benefit pension scheme in the Statement of Financial Activities	691	885

ASSETS

	31 December 2018 £000	31 December 2017 £000	31 December 2016 £000
Equity-type assets	7,048	9,875	12,439
Fixed Interest Bonds	1,704	1,382	736
Index-Linked Bonds	6,103	5,343	3,463
Fixed Interest Gilts	4,563	2,537	860
Property	1,468	1,479	1,442
Other	47	170	84
Total assets	20,933	20,786	19,024

None of the fair value of the assets shown above includes 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 2018	31 December 2017	31 December 2016
	% per annum	% per annum	% per annum
Discount Rate	2.75	2.45	2.65
Inflation (RPI)	3.25	3.25	3.35
Inflation (CPI)	2.25	2.25	2.35
Salary growth	2.25	2.25	2.35
Allowance for revaluation of deferred pensions of RPI or 5% pa if less	3.25	3.25	3.35
Allowance for pension in payment increases of CPI or 5% pa if less	2.30	2.30	2.40
Allowance for pension in payment increases of CPI or 2.5% pa if less	1.75	1.75	1.80
Allowance for pension in payment increases of CPI or 3.0% pa if less	1.95	1.95	2.00
Allowance for commutation of pension for cash at retirement	75% of Post A day	75% of Post A day	90% of Post A day

The mortality assumptions adopted at 31 December 2018 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2018	21.6
Female retiring in 2018	23.3
Male retiring in 2038	22.9
Female retiring in 2038	24.5

The best estimate of contributions to be paid by the employer to the scheme for the year commencing 1 January 2019 is £164,000. There is no allowance for deficit contributions being paid in the period commencing 1 January 2019, as these are expected to be delayed until June 2020 in line with the schedule of contributions, as the actuarial report as at 30 September 2018 is expected to show a surplus.

Independent Age also operates a defined contribution scheme administered by TPT Retirement Solutions. Members of the scheme contribute up to 6% while the employer contributes up to 10%. Total employer contributions towards this scheme in the year were £267,335.

18 Movement on funds

	Balance at 1 January 2018 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains / (Losses) £000	Balance at 31 December 2018 £000
Endowed funds						
FE Cobbold Trust Fund	1,428	-	-	30	-	1,458
Backsettown Endowed Charity	279	-	-	6	-	285
Wharton & Wittrick	419	-	-	9	-	428
General Endowment Fund	55,084	-	-	1,155	-	56,239
Unapplied Total Return	-	1,589	99	(1,200)	(2,675)	(2,385)
Total endowed funds	57,210	1,589	99	-	(2,675)	56,025
Restricted funds						
FE Cobbold Trust Fund	14,424	406	843	-	(683)	13,304
Backsettown Endowed Charity	129	-	-	-	-	129
RUKBA Holiday Fund	4,536	127	85	-	(215)	4,363
Ulster Ladies Trust Fund	878	25	79	-	(41)	783
Campaign to End Loneliness	198	730	1,268	414	-	74
Other restricted funds	-	147	147	-	-	-
Total restricted funds	20,165	1,435	2,422	414	(939)	18,653
Unrestricted funds						
<i>Designated funds</i>						
Investment Property Fund	2,300	-	-	-	-	2,300
Tangible and Intangible Fixed Assets Fund	2,479	-	303	79	-	2,255
Endowment Funded Activity Protection Fund	20,023	563	35	840	(948)	20,443
Future Impact Fund	67,760	6,070	13,517	(6,274)	(3,206)	50,833
Total designated funds	92,562	6,633	13,855	(5,355)	(4,154)	75,831
General fund	14,547	-	-	4,941	-	19,488
Total unrestricted funds	107,109	6,633	13,855	(414)	(4,154)	95,319
Subtotal Independent Age	184,484	9,657	16,376	-	(7,768)	169,997
COUNSEL AND CARE FOR THE ELDERLY						
General fund	186	220	300	-	-	106
Subtotal Counsel and Care for the Elderly	186	220	300	-	-	106
Total Group	184,670	9,877	16,676	-	(7,768)	170,103

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: FE Cobbold Trust Fund, Backsettown Endowed Charity fund, and the Wharton & 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 **FE Cobbold Trust Fund** represent monies to be held on trust to invest and apply 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 **Backsettown 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 the 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 2018, as a result of the investment portfolio's negative return, the unapplied total return fund balance was negative at £2,385k. This will be held in the fund until future returns on the investments eliminate it.

	Endowed for Investment £000	Unapplied Total Return £000	Total Endowed £000
At start date: 1 January 2018			
Gift component of permanent endowment	57,210	-	57,210
Unapplied total return	-	-	-
	<u>57,210</u>	<u>-</u>	<u>57,210</u>
Movements			
Recoupment of trust for investment*	1,200	(1,200)	-
Dividend return	-	1,589	1,589
Losses	-	(2,675)	(2,675)
Investment management costs	-	(99)	(99)
	<u>1,200</u>	<u>(2,385)</u>	<u>(1,185)</u>
Unapplied total return retained	-	(2,385)	(2,385)
TOTALS	<u>58,410</u>	<u>(2,385)</u>	<u>56,025</u>

*This represents the sum elected to maintain the real capital value of the endowed funds by offsetting the impact of inflation.

Restricted Funds

These are funds the charity must spend on activities specified by the restrictions of the fund.

The RUKBA Holiday Fund: The income and capital may be applied for the relief of persons in need in reduced circumstances 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 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, £414k was transferred from unrestricted funds to support this activity and the funds were fully expended.

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

A review of the restricted reserves in the first quarter of 2019 aims to ensure that the funds will be utilised over an average of a little under five years, based on current activities.

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. In 2018, there was a negative return on the endowed investment. There were, however, enough funds available to cover charitable activities funded by endowed funds. The Trustees therefore decided not to transfer funds from the Endowed Funded Activity Protection Fund.

The **Future Impact Fund** represents the balance of unrestricted reserves that, 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.

General Funds

The **General Fund** represents free reserves used for the general work of Independent Age.

Comparatives* for 2017 of movement on funds are shown below:

	Balance at 1 January 2017 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains / (Losses) £000	Balance at 31 December 2017 £000
INDEPENDENT AGE						
Endowed funds						
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	-
Total endowed funds	64,391	1,348	171	(14,708)	6,350	57,210
Restricted funds						
FE Cobbold Trust Fund	13,221	279	819	425	1,318	14,424
Backsettown 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	-	-	-
Total restricted funds	20,195	1,369	1,811	(1,579)	1,991	20,165
Unrestricted funds						
Designated funds						
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
Total designated funds	61,233	1,281	210	23,334	6,924	92,562
General fund	26,216	2,119	9,354	(7,047)	2,613	14,547
Total unrestricted funds	87,449	3,400	9,564	16,287	9,537	107,109
Subtotal Independent Age	172,035	6,117	11,546	-	17,878	184,484
COUNSEL AND CARE FOR THE ELDERLY						
General fund	278	54	146	-	-	186
Subtotal Counsel and Care for the Elderly	278	54	146	-	-	186
Total Group	172,313	6,171	11,692	-	17,878	184,670

*Comparatives for movements on funds have been restated to include Counsel and Care for the Elderly.

19 Analysis of net assets between funds

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowed funds £000	2018 Total funds £000
Tangible and intangible fixed assets	-	2,255	-	-	2,255
Investment	24,639	72,095	16,883	55,312	168,929
Investment properties	-	-	1,587	713	2,300
Concessionary loans	-	-	96	-	96
Current assets	4,543	715	501	-	5,759
Current liabilities	(2,451)	-	(414)	-	(2,865)
Creditors: Amounts falling due after more than one year	(7,137)	-	-	-	(7,137)
Defined benefit pension scheme liability	-	766	-	-	766
Total	19,594	75,831	18,653	56,025	170,103

Comparatives* for 2017 analysis of net assets between funds are shown below:

	Unrestricted funds £000	Designated funds £000	Restricted funds £000	Endowed funds £000	2017 Total funds £000
Tangible and intangible fixed assets	-	2,479	-	-	2,479
Investment	21,706	90,693	18,454	56,512	186,610
Investment properties	-	-	1,602	698	2,300
Concessionary loans	-	-	109	-	109
Current assets	1,993	755	-	-	2,748
Current liabilities	(1,843)	-	-	-	(1,843)
Creditors: Amounts falling due after more than one year	(7,123)	-	-	-	(7,123)
Defined benefit pension scheme liability	-	(610)	-	-	(610)
Total	14,733	92,562	20,165	57,210	184,670

*Comparatives for analysis of net assets between funds have been restated to incorporate Counsel and Care for the Elderly.

20 Trustees, related parties and connected charities

No Trustee received any remuneration from Independent Age during the year ended 31 December 2018. They were reimbursed for travel expenses incurred in the furtherance of charity's activities totalling £1,982 (2017: £829).

Professor Martin Green OBE, Chair of the International Longevity Centre – UK (ILC-UK), is a Trustee of Independent Age. Payments totalling £18,000 in 2018 (2017: £30,600) 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 2018, the income for Counsel and Care was £220k (2017: £54k) and expenditure was £300k (2017: £146k), total net assets value was £106k (2017: £186k).

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 pa. As at 31 December 2018, FNAIST owed Independent Age £4,690 (2017: £0).

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

	2018 £000	2017 £000
Net income for the year	(15,258)	11,472
Dividends received	(4,921)	(3,097)
Interest receivable	(105)	(430)
Rents received from investment properties	(62)	(79)
Depreciation and impairment of tangible fixed assets	117	142
Amortisation and impairment of intangible fixed assets	186	279
Impairment of assets held for sale	40	-
Movement in concessionary loans	23	-
Losses/(gains) on investment	8,459	(16,993)
(Decrease)/increase in provision against programme related investments	(13)	11
Post-employment benefits less payments	(685)	(672)
Movement in the provision for regular payments	1,012	362
(Increase)/decrease in debtors	(2,267)	340
(Increase)/decrease in creditors	25	(1,072)
Net cash flow from operating activities	(13,449)	(9,737)

22 2017 Consolidated Statement of Financial Activities

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Year to 31 December 2017 Total funds £000
Income and endowments from:				
Donations and legacies	1,558	946	-	2,504
Raising funds – Events	30	-	-	30
Investment income	1,835	423	1,348	3,606
Other income				
Other income	31	-	-	31
Surplus from property sales	-	-	-	-
Total income and endowments	3,454	1,369	1,348	6,171
Expenditure on:				
Raising funds				
Raising voluntary income	1,326	-	-	1,326
Investment and property management	234	54	171	459
Total cost of raising funds	1,560	54	171	1,785
Charitable activities				
Information and Advice	2,639	924	-	3,563
Wellbeing	3,309	-	-	3,309
Campaigning	1,765	798	-	2,563
Regular Payments and Grants	390	35	-	425
Total cost of charitable activities	8,103	1,757	-	9,860
Other expenditure				
Pension – net interest cost	47	-	-	47
Total expenditure	9,710	1,811	171	11,692
Operating (deficit)/surplus	(6,256)	(442)	1,177	(5,521)
Gains on investment assets	8,652	1,991	6,350	16,993
Impairment in value of investment properties	-	-	-	-
Net income	2,396	1,549	7,527	11,472
Transfers between funds	16,287	(1,579)	(14,708)	-
Other recognised gains/(losses)				
Actuarial gain/(loss) on defined benefit pension scheme	885	-	-	885
Net movement in funds	19,568	(30)	(7,181)	12,357
Fund balances brought forward at 1 January	87,727	20,195	64,391	172,313
Fund balances carried forward at 31 December	107,295	20,165	57,210	184,670

Consolidated Statement of Financial Activities has been restated to incorporate the results of the charity's subsidiary Counsel and Care for the Elderly.

**Find out
more and
get involved**

**There are many ways
to get involved in our
work. You can volunteer,
fundraise or join a
campaign. Also, we're
always interested in
working with
corporate partners.**



To find out more about our work and how you can get involved, **visit www.independentage.org**

Make a donation

Your gift today could help transform the life of an older person in need. Whether it's a one-off donation or a monthly gift, we promise that the donation you make to Independent Age today will be used to fund our work to improve the lives of older people in the UK.

You can make a donation at
www.independentage.org/donate



advice and support for older age

**Independent
Age**

We want the UK to become the best place in the world to grow older and campaign to make this a reality.



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**Independent
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Registered charity number
210729 (England and Wales)
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