

Love later life

Report of Trustees and
Annual Accounts 2013/14

‘You need a philosophy
for life – a combination
of **peace, happiness**
and **positivity.**’

Nicole, 67



We are many things to many people

Ageing is different for everyone and, of course, the challenges and the demands are different for everyone too. At Age UK we are many things to many people – a source of advice, information, companionship and support.

But one thing is the same for everyone: we're always here. Wherever you are in your life, ageing is a journey we'll take together, hand in hand, shoulder to shoulder.

We all know that life's road isn't always an easy one. But by working together, we can start to create a world where everyone can love later life.

We are local, national and international

The Age UK Group comprises of Age UK and its subsidiary companies and charities, all dedicated to helping people love later life. Our network includes the three national charities Age Cymru, Age NI and Age Scotland and 167 local Age UK partners in England. We work with our subsidiary charity, Age International, to fund programmes in 38 developing countries. Age International is a member of the HelpAge global network.

Contents

Message from the Chairman and Chief Executive	4
Our ambitions	6
Our year at a glance	8
Your money	11
Your wellbeing	17
Your health & care	21
Your home	27
Your community	33
Funding and finance	39
How we raised our funds	40
Strategic report	47
Corporate governance	55
Age UK and its partners	57
Auditor's report	61
Trustees, Officers, Independent Committee Members and Professional Advisers	89

Message from the Chairman and Chief Executive

Asking people to love later life is ambitious, because for many people growing older can bring challenges. But that doesn't stop us being ourselves. We still want to laugh, love and be needed. We want to stay independent and to keep doing the things we enjoy and that matter to us. Age UK believes in a world where everyone can love later life. We think it's how things should be for older people – and we work every day to make it a reality for many more people.

This year, our fifth year of operation as Age UK, saw the launch of Love later life, a more positive and ambitious approach to later life. It encourages us all to think differently about getting older and demonstrates that older people have a valued role in society. We received an overwhelmingly positive reaction from the public – people wrote to us and took to social media to share their inspirational stories, proving that age is no barrier to leading a fulfilling later life. Love later life sums up our vision for a better world, a vision that motivates our supporters, volunteers and staff.

We are very proud of our achievements nationally and internationally, and those of the Age UK network across England, Scotland, Wales and Northern Ireland.

Our international arm, Age International, has just completed its second year of operation. We have made big strides in recent months, supporting programmes in 38 developing countries and raising awareness in the UK of the needs of older people internationally. Age International is also part of the Disasters Emergency Committee (DEC) and in this year alone, we helped over 500,000 people through emergency response and recovery programmes in the Philippines, Ethiopia, Kenya, and in Jordan for older people displaced from Syria.

In the UK, together with our partners, we reached over 5 million people with our information and advice. We helped older people navigate a complex and confusing benefits system and identified over £160 million in benefits they were entitled to.

In England, years of influencing work by Age UK contributed to the passing of the Care Act 2014, introducing significant reform to the care system. However, these reforms are being undermined by a chronic lack of funding for social care, meaning the care system has little to offer people who need help to remain active and independent. Many of these types of services are currently provided by local Age UKs, through funding by local authorities. But public services cuts have made it increasingly difficult to secure the resources needed. The result is an increasing number of people and carers struggling alone and avoidable hospital admissions.

We are committed to finding innovative ways both to make these crucial preventative and wellbeing services available to older people and to helping local Age UKs to survive and thrive in a different commissioning environment.

Age UK has also continued to pioneer work to integrate health, social care and voluntary sector services. We have worked with voluntary organisations and health and care services to provide a combination of medical and non-medical support for older people living with multiple long-term conditions who are at risk of recurring hospital admissions. Our Cornwall integrated care programme has demonstrated significant reductions in hospital admissions, important improvements in patient and financial outcomes, and has received widespread recognition. We are now expanding into other areas. Alongside this we have provided leadership for the Malnutrition Task Force together with its ongoing implementation projects, and led the Dignity Commission to improve outcomes for older people in health and care settings.

This year we established the Age UK Financial Services Commission, working with leaders from the financial services sector to review and recommend ways in which older people's financial resilience could be improved. The Commission's work will culminate in a report in summer 2014 which will set out recommendations for the financial services industry, regulators and Government to improve information, guidance and advice, financial products and to help facilitate better outcomes for older people at every stage of retirement.

Age UK champions the need to create more opportunities for people to save for retirement. We campaigned for the introduction of automatic enrolment into workplace pensions and this year introduced it for our own staff. We went further than legislation required by enrolling all of our existing staff into a more generous Age UK scheme – we are delighted that our take-up rate is now 92.5 per cent.

Our overall turnover this year was £166.6 million, an increase in income of £7.7 million. This was due to increases in legacies, gifts and donations and our trading activities. The rise is the result of work done over several years and previous investment in income generation. This year we spent £78.3 million on charitable activity, £0.3 million more than last year and much more than our fundraising income of £46.2 million. This was possible because of the contribution of our social enterprise.

This year, members of Age UK unanimously agreed to change the size and composition of the Age UK Board. The changes reduce

'This year we spent £78.3 million on charitable activity, £0.3 million more than last year and much more than our fundraising income of £46.2 million. This was possible because of the contribution of our social enterprise.'

the number of Trustees who are on the Board as representatives of a particular constituency or stakeholder group and place more emphasis on skills and experience. A Partnership Board will be created with which the Age UK Board will consult and have a continuous dialogue with.

The Trustees have set ambitious goals for growing Age UK's income and impact, and we are focused on developing strong foundations which will enable Age UK to grow in the future. That means reducing costs wherever possible and making careful decisions about when to expand charitable programmes – as well as focusing on making sure that charitable expenditure stretches as far as possible and that we invest in future income generation.

Age UK's achievements would not have been possible without the contribution of Age UK's Trustees, our senior management team, staff, supporters, volunteers and partners – we would like to thank them all for their continued support.

We are pleased to present Age UK's Annual Report and Accounts.



A handwritten signature in black ink that reads "Dianne Jeffrey".

Dianne Jeffrey CBE DL
Chairman



A handwritten signature in black ink that reads "Tom Wright".

Tom Wright CBE
Group Chief Executive

Our ambitions

Together, we can create a world where everyone loves later life.

We are rightly ambitious. We know it won't be easy to get there, and it won't be a quick journey, but we believe this is how things should be and we work every day to make it happen.

This year we have developed **five ambitions** that shape everything we do. Ambitions driven by the priorities that people in later life tell us matter to them.

'You have to get on with what you have, and **make the most of what you've got.**'

Dorothy, 97



Your money

Pages 11–15

We want to see a world where everyone in later life has enough money.

We help put money in older peoples' pockets by finding millions of pounds of benefits they're entitled to, campaign to improve pensions, tackle pensioner poverty and, through our information and advice, enable people in later life to make the most of their money.

Your wellbeing

Pages 17–19

We want to see a world where everyone in later life can enjoy life and feel well.

We inspire older people to get active and be healthier, offer befriending services to tackle loneliness and isolation and carry out research into brain health to learn more about how we age, and how we might tackle conditions like dementia.

'**Enjoy life**, because we're all in the queue, and keep yourself physically fit.'

Allan, 78



Your health & care

Pages 21–25

We want to see a world where everyone in later life can receive high quality health and care.

We call for improvements to the law, campaign for high quality care so people are treated with the dignity and respect they deserve, and work to join up health and social care services so that older people are enabled and supported to stay independent and well for as long as possible.

'In life, if you have your health, you've got everything.'

Mary, 82



'When you are a child, age is just a number. Why should that change with time?'

Fauja, 102



Your home

Pages 27–31

We want to see a world where everyone in later life feels comfortable, secure and safe at home.

We campaign for warmer homes and provide practical support to enable people to stay warm in winter, help people remain at home for as long as possible by offering tailored products, such as stairlifts, and internationally ensure the needs of older people are taken into account following disasters and emergencies.

Your community

Pages 33–37

We want to see a world where everyone in later life can participate in their local community.

We, together with our partners in the Age UK network and the HelpAge global network, inspire people to get involved in their local community, to have their voice heard and make a positive contribution by campaigning, volunteering, working and learning.

'My work keeps me happy and keeps me young.'

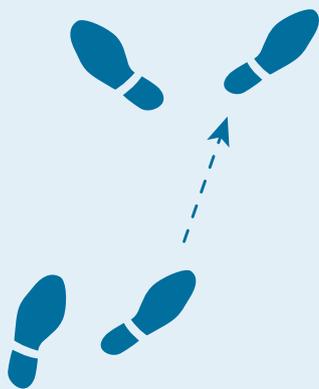
Harry, 80



Our year at a glance

1,600

older people helped to stay fit through Fit for the Future.



Over **1,300** Falls Awareness events, reaching an estimated 25,000 older people.

Over **36,900**

calls to lonely and isolated older people by our Call in Time telephone befriending service.



Influenced the **increase** of coverage of social pension schemes in **14** low and middle income countries.

5 million people given information and advice.



30% fewer emergency hospital admissions in our Cornwall integrated care pilot.

Over **24,000** campaigners helped us argue for better care.

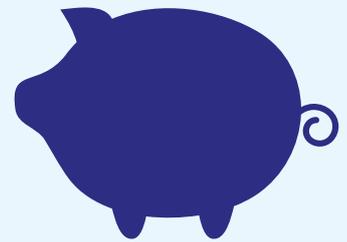


Our Experts by Experience took part in

1,642

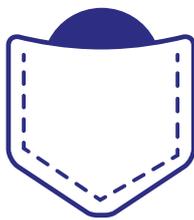
inspections of health and care services, events and training sessions.

Around **75,000** volunteers supported our network.



£22.4 million

in financial support to our partners.



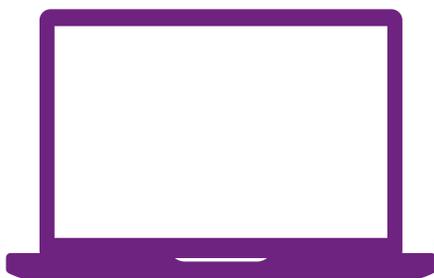
£160 million benefits put into older people's pockets.



167 local partners covering 96% of English postcodes.



260,000 people reached through our winter warmth programmes.



5 million unique visitors to www.ageuk.org.uk

507,000

older people helped through emergency response and recovery programmes in 16 countries.

‘You have to get on with what
you have, and **make the most
of what you’ve got.**’

Dorothy, 97



Your money

Having enough money is a concern for people anywhere in the world. In the UK there are still 1.6 million pensioners living in poverty and of these 900,000 are in severe poverty.¹ Globally, only a fifth of the population have a pension. Around 340 million older people are living without any secure income.²

We want to see a world where everyone in later life has enough money.



1 Households below average income (HBAI): 1994/95 to 2012/13, DWP July 2014.

2 Old age, disability and mental health: data issues for a post-2015 framework, Overseas Development Institute, 2010.

We want to see a world where everyone in later life has enough money.

We said we would...

influence the proposals for a single-tier State Pension in 2016 to ensure that tomorrow's pensioners can achieve an adequate income for later life. We will work to make sure that no-one is disadvantaged by the changes.

The legislation introducing the single-tier State Pension for future pensioners was agreed by Parliament in May 2014. Age UK has long supported reforms for a simpler and fairer system and was the most vocal charity campaigning on the Pensions Bill.

Although we welcomed the main objectives of the legislation, we highlighted various concerns about the proposed changes and the position of current pensioners. In particular, we ensured that issues concerning pensioner poverty, increases to State Pension age and the particular position of women pensioners were discussed and debated.

The Government made limited but important concessions. The Government have also committed to work with Age UK and other organisations on the implementation of the law and communicating with the public about the changes.

We said we would...

promote benefit take up campaigns that reach all in need and help reduce poverty.

Age UK's annual Let's Talk Money campaign aims to dispel some of the myths surrounding benefits eligibility and encourage older people to claim what they are entitled to. Working with Age UK Cheshire and Age UK Wiltshire (two areas with low benefit take up rates), we delivered two pilot projects that explored innovative and fresh approaches to reach people, including working closely with pharmacies and GP surgeries. Overall, the pilots identified more than £635,000 of unclaimed benefits.

Over 127,000 information and advice resources were distributed or downloaded during the Let's Talk Money campaign and 28,000 guides were distributed from our 439 charity shops. The spring 2013 edition of Age UK's 'Life' magazine, which went to one million people, focused on benefits eligibility. These materials led to over 5,000 information and advice calls to Age UK Advice.

60 per cent
of people who were advised
by their local Age UK **did not**
know where else they would
have gone if their local
Age UK was not there.

‘We were delighted to host one of the summit events that Age UK held as part of their Financial Services Commission. Given the recent changes to pensions, Age UK’s Commission has proved both timely and an important contribution to the debate.’

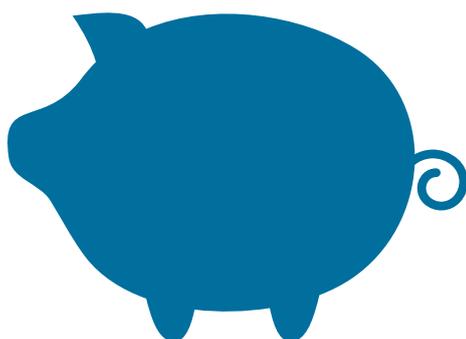
Fiona Dunsire, CEO, Mercer.

Between **£3.7 billion** and **£5.5 billion** of income-related benefits are **unclaimed by pensioners** in the UK every year.³

We said we would...

together, with our local partners help older people identify over £145 million in benefits to which they are entitled.

Together with our partners, we helped older people identify over £160 million in unclaimed benefits. Our research has shown that this extra money was spent on essential items such as food, paying utility bills and practical help at home.



We said we would...

influence financial service reform by establishing a Financial Services Commission with the aim of improving protection and access for people in later life.

We established the Age UK Financial Services Commission in the wake of a House of Lords Select Committee’s conclusion that the UK ‘is woefully under prepared for our ageing society.’

Chaired by our Group Chief Executive, Tom Wright CBE and Dr Alexander Scott of the Chartered Insurance Institute, the Commission explored how the financial resilience of older people could be improved.

As part of our work with the Commission, we engaged with senior leaders from the financial services industry, Government, consumer groups and regulators to discuss the key issues and to consider improvements to practice and policy. We also carried out research, commissioned think pieces, and consulted older people.

The Commission’s work will culminate in a report in summer 2014. It will set out key recommendations for the financial services industry, regulators and Government to improve information, guidance and advice and financial products, building trust amongst people at every stage of their planning for later life.

³ Income Related Benefits Estimates of Take-up in 2009/10, Department for Work and Pensions, 2012



Mr B

Mr B had lost control of his finances and as a result was given notice to leave his property. He approached Age UK for help.

One of our advisers visited Mr B's home and found that it was poorly furnished and very dirty. Mr B was struggling to keep himself clean, in constant pain from his hip and finding it difficult to see.

Through help from Age UK, Mr B has now accessed the benefits to which he is entitled and this extra money has transformed his life.

Mr B has moved into a retirement property where he receives food, heating and access to support when he needs it. Mr B has received treatment for his hip problem and cataracts.

Mr B was helped through our Planning for Later Life programme which is supported by Prudential. The programme offers holistic information and advice to older people experiencing significant life events such as bereavement, becoming a carer or moving home. Between January and March 2014 the programme provided advice to 1,373 older people and identified over £1.7 million of financial benefits.



Your money

Age International

Age International, Age UK's international arm provided micro-credit, grants and training to 55,000 people in 22 countries to help older people start small businesses, supporting themselves and others in their care.

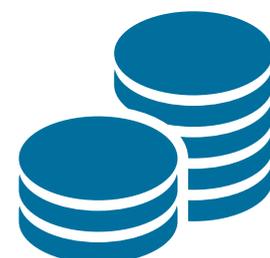
We said we would...

support work that influences national, regional and global policy and practice.

We worked in low and middle-income countries to help older people to access pensions where they existed and lobbied for pensions in countries where they did not. A further 1.35 million older people accessed pensions and benefits worth £267 million more a year (compared to 2012/13), with better coverage in 14 countries, including notable changes in Colombia, Kenya, Peru and the Philippines.

Our plans for 2014/15

- We will promote benefit take-up campaigns and, together with our partners, we will help older people identify over £160 million in benefits to which they are entitled.
- We will publish Age UK's Financial Services Commission report, influencing the financial services industry and other stakeholders to adopt and implement the report's recommendations.
- We will influence the Government's pension reforms to meet the needs of people with modest savings.
- We will provide support to governments and civil society organisations resulting in new or improved social protection and pension schemes in five low and middle-income countries.
- We will support 200,000 older people in 27 countries with activities to improve their livelihoods through crop and livestock support and micro finance.



‘Enjoy life, because we’re all in the queue, and keep yourself physically fit.’

Alan, 78



Your wellbeing

As we get older there are positive benefits from keeping up healthy habits and activities. In fact, there are even benefits to taking up good habits for the first time. However, research also shows that many older people don't know about the benefits of being more physically active and there are other barriers that prevent older people from taking part in regular physical activity.⁴

The prevalence and impact of loneliness is often underestimated. One in ten people aged 65 or over in the UK say they always or often feel lonely.⁵

We want to see a world where everyone in later life can feel well and enjoy life.



⁴ Improving later life: Understanding the oldest old, Age UK, 2013.

⁵ TNS survey for Age UK, April 2014.

We want to see a world where everyone in later life can feel well and enjoy life.

We said we would...

continue to give older people the information they need about the simple steps they can take to prevent falls.

Over 400 organisations, including local Age UKs, took part in Falls Awareness Week in June 2013, holding over 1,300 events with a particular focus on healthy feet. The events promoted services and interventions to help older people maintain healthy feet and reduce the risk of falls.

Since launching eight years ago, Falls Awareness Week has enabled hundreds of organisations to highlight the importance of falls prevention and to challenge the widespread belief that falling is an inevitable part of ageing. Thousands of older people have found out more about the simple steps they can take to prevent falls.

Given our collective success in raising awareness of the issue at a national and local level, we have decided not to run Falls Awareness Week in 2014. Instead, we will concentrate our resources on working with local Age UKs to help them develop evidence based strength and balance exercises for older people who are at risk of falling.

'I thought I'd give it a try. I don't see many people and it gets me out. It does you good. It keeps you lively and it's nice to have something to look forward to.'

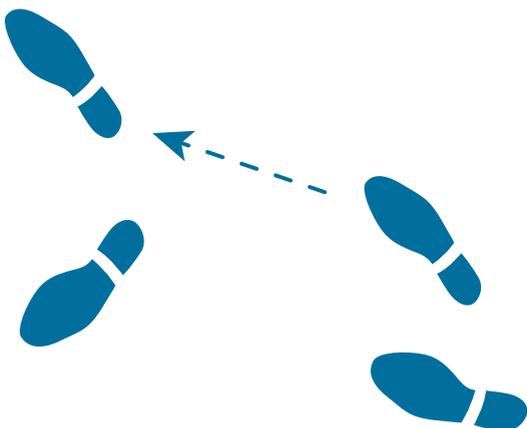
Joyce, 85, Fit for the Future participant, Age UK Lancashire.

We said we would...

follow up our successful Fit as a Fiddle programme by working with local Age UKs to get 1,500 people in later life involved in healthy ageing activities.

The Big Lottery Fund awarded Age UK £3.6 million to build on the success of our Fit as a Fiddle programme with a new Fit for the Future programme. Involving 11 local Age UKs in England, over two years, the programme focuses on improving older people's mental and physical wellbeing with the aim of increasing healthy life expectancy, reducing the number of years spent in poor health, and delaying the need for dependency on more intensive health and social care services.

This year the 11 Fit for the Future projects have supported over 1,600 older people.



Call in Time

This year, staff or volunteers supporting Call in Time, our national telephone befriending service, made over 800 calls a week to older isolated or lonely people. In total, the service supported 554 older people with 36,900 calls.

Call in Time depends on the support of 12 corporate partners who offer financial support as well as employee volunteers. In spring 2014, we presented Zurich Community Trust with a founder award in recognition of significant support they have given to the service since it began in 2001. We have now secured £100,000 in match funding from the Cabinet Office to recruit an additional 10 new corporate partners and 200 corporate volunteers to help 200 more older people in need of friendship.

Ageing research

Our ground-breaking research project, The Disconnected Mind, is discovering things we can do to help stay sharp in later life. Research to find out how and why cognitive decline happens to some, but not others, is critical if we are to protect our cognitive health. Understanding brain ageing will support the design of new ways to prevent and treat age-related cognitive impairment, and to inform everyone about lifestyle choices that protect cognitive health.

Exciting discoveries continue to emerge from The Disconnected Mind project. For example, in 2013 the research team presented findings that physical activity protects the brain's white matter – its connections – helping, in turn, to protect thinking skills in later life.

Dementia Friendly

We have worked with 15 local Age UKs on our Dementia Friendly project, a pilot supported by the Big Lottery Fund which will run until March 2015. By auditing the services provided by each participating local Age UK and assessing what could be done to make those services more dementia friendly, we have worked together to implement action plans. The number of participating local Age UKs is being extended to 46 for 2014/15.

'I had nobody. I was completely lost. Days became like weeks. I was very, very lonely and very, very sad. Age UK's Call in Time Befriending service is a life-saver to me.'

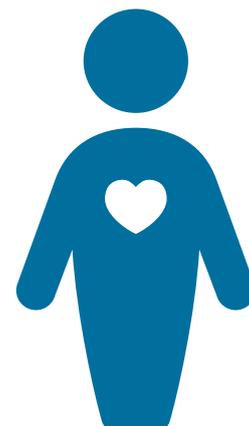
Barbara, Age UK Call in Time client.

Down Memory Lane

Down Memory Lane is an eight month development programme supported by Google. Based on an initial pilot, funded by Barclays, the programme engages people with the internet by showing how it can help them remember happy times in their past. Six local Age UKs are now helping us test the delivery model on a larger scale.

Our plans for 2014/15

- Through our partners we will promote and enable over 3,700 older people to access active ageing activities.
- We will continue to support the Disconnected Mind research project so that we can learn more about how we age.
- We will promote getting online through our Down Memory Lane project engaging 3,600 older people.
- We will implement changes to improve the capacity of the Call in Time service and develop a strategy to better integrate with local Age UK befriending services.



**‘In life, if you have your health
you’ve got everything.’**

Mary, 82



Your health & care

The number of people aged 60 or over is expected to exceed 20 million by 2031.⁶ In the UK the number of people over 85 is predicted to double in the next 20 years.⁷ Without action, this demographic change will mean a growing gap between need and the provision of care.

Older people must be able to expect high quality health and care services that are co-ordinated and based on their needs and circumstances.

We want to see a world where everyone in later life can access high quality health and care.



⁶ National population projections, 2010-based, Office for National Statistics, 2011.

⁷ National population projections, 2008-based, Office for National Statistics, 2009.

We want to see a world where everyone in later life can access high quality health and care.

We said we would...

continue to influence the Government to improve social care and achieve better outcomes for older people.

Years of influencing by Age UK contributed to the passing of the Care Act 2014, representing the most thorough reform of care legislation since 1948. The Act consolidates all existing legislation and introduces significant new provisions, including duties for local authorities to promote individual wellbeing and to safeguard adults at risk of abuse and neglect. Additionally, it introduces a new system of paying for care, derived from the recommendations of the Dilnot Commission on Funding of Care and Support.

Unfortunately, many of these significant gains risk being undermined by chronic underfunding. Our Care in Crisis campaign continued to highlight this funding gap.

Age UK worked across the political parties to brief MPs and Peers throughout the passage of the Care Bill. Working with over 24,000 campaigners, our 'Lobby a Lord' initiative saw 2,777 emails sent to 80 key Peers as well as over 5,500 postcards and emails sent to MPs.

The funding problem has been acknowledged by the Government to a certain extent and, earlier in 2014, we welcomed the transfer of £3.8 billion from the NHS for joint NHS and local council projects to improve the integration of health and social care.

Shocking examples of poor care continued to emerge throughout the year. A major success of our campaigning was the Government's agreement to extend the coverage of the Human Rights Act to users of private or voluntary sector care services, where a local authority either arranges the contract, or funds some or all of the care package.

From 2010/11 to 2013/14, public **funding for older people's social care reduced by 10 per cent** in real terms.⁸

'People need to know what others are going through. It is a struggle that will not go away until campaigns like Care in Crisis are fought and won. I cannot praise Age UK enough.'

Susan, Care in Crisis campaigner.

We said we would...

continue to work for older people's needs to be central to health services planning, delivery and training throughout the NHS.

In 2014 the Secretary of State for Health launched the Government's Transforming Primary Care Plan. We influenced the development of the plan and supported the Department of Health's consultation events which gathered views on the plan from health professionals, academics and older people. An Age UK senior representative spoke alongside the Secretary of State at each event and the findings of our integrated care model (see page 24) were shared during break-out sessions.

Our engagement with this plan has helped ensure we are a leading voice in the debate on frailty of older people. Age UK has conducted qualitative research into the experience for older people of living with frailty. In collaboration with the British Geriatrics Society, we are using this research to form the basis of new guidelines for managing frailty which we will promote to clinical teams and others working in the NHS.

The landmark Francis inquiry into the role of the commissioning, supervisory and regulatory bodies in the monitoring of Mid Staffordshire Foundation NHS Trust reported in 2013. The report identified significant failings. We contributed to the Care Quality Commission's work to develop their new approach to regulation which they formulated in response to the inquiry.

Our influencing on health issues has included ensuring the voices of older people are listened to by professional bodies. In partnership with the Royal College of Surgeons, we have raised awareness amongst surgeons, and the wider health community, of variations in access to surgery based on age. We have also worked with the General Medical Council to increase awareness of the needs of older people amongst doctors and with the Royal College of Psychiatrists to launch the first 'Elder Friendly Wards' quality mark awards.

We said we would...

work with local partners to establish four integrated care sites in the UK.

By working with voluntary organisations and health and care services, Age UK's integrated care model aims to provide an innovative combination of medical and non-medical support for older people living with multiple long-term conditions who are at risk of recurring hospital admissions.

In 2012, Age UK and Age UK Cornwall and the Isles of Scilly set up an integrated care pilot to test how our model would work in practice. Working with 100 older people with long-term conditions and at risk of needing acute care, Age UK Cornwall, together with our partners, including Improving Care and the Changing Lives Partnership in Cornwall, supported participants to increase their independence and reduce unplanned admissions to hospital.

A local Age UK personal independence co-ordinator works alongside an older person to help them identify the personal goals most important to them, such as 'taking the dog for a walk' or 'having my hair done'. Practical support is then provided by the local Age UK staff and volunteers.

The Cornwall pilot is now one of the Government's 14 Integrated Care Pioneers and has achieved highly promising early results (see page 24). NHS Kernow (Cornwall) and Age UK Cornwall and the Isles of Scilly were awarded the Health Service Journal Award for Managing Long-Term Conditions. The judges stated it was excellent with one saying 'I want to grow old in Cornwall'.

Following the pilot's success, we are taking our model to other areas and are in the process of establishing four further sites in North Tyneside, Portsmouth, Blackburn with Darwen and South Cumbria.



Early results from the Cornwall integrated care pilot

- Since the pilot's launch in 2012, 100 older people have been helped to become more independent.
- There was a 23 per cent average improvement in the health and wellbeing of older people.
- There were 30 per cent fewer emergency hospital admissions.
- Both staff and older people report high levels of satisfaction with the service model saying they thought it was better for older people.
- Around 10 per cent of the older people on the programme went on to become informal volunteers, highlighting how confident and resilient they have become.

John's story

John lives with diabetes, heart disease, atrial fibrillation and dementia.

His growing dependence on his wife was causing tension between them. He stopped going out on his own and became increasingly isolated. John was frequently visiting his GP, but missing appointments for his diabetes.

His Age UK Cornwall and the Isles of Scilly volunteer found activities in the local area that John used to enjoy. John also joined a diabetic group where he was able to share his experiences with his peers, and he has regularly engaged with podiatry services and the diabetic nurse. The volunteer also accompanied him through a stress buster course.

John now attends a local Memory Café and regularly catches up with old colleagues. John's confidence has increased significantly and he is now in better control of his diabetes and making fewer GP visits.

Malnutrition Task Force

The Malnutrition Task Force, co-founded by Age UK and chaired by Age UK's Chairman, Dianne Jeffrey CBE DL, is part way through a two-year Malnutrition Prevention Programme funded by the Department of Health.

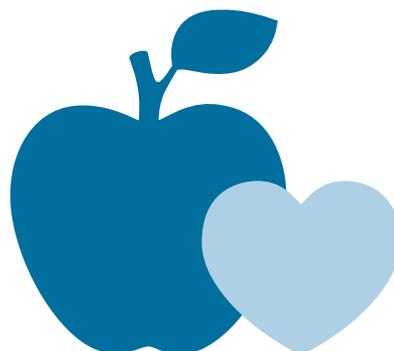
The programme is testing how whole communities can work together across settings and sectors to implement the five principles of good practice in nutrition and hydration care: raising awareness, working together, identifying older people at risk of malnutrition, supporting and treating them, and monitoring and evaluating individuals and initiatives.

We were delighted when Dianne was appointed to chair the Government's new Hospital Food Standards Panel. The panel, which is expected to report in autumn 2014, is reviewing guidance and standards governing hospital meals and making recommendations about which ones should apply throughout the NHS.

Experts by Experience

Age UK helps to deliver the Acting Together programme for the Care Quality Commission. Acting Together involves people called 'Experts by Experience' (known as Experts), in the inspection of health and social care services. These Experts are people who have used health and social care services.

Age UK trained Experts have been involved in over 1,600 inspections of health and social care services, consultation events and training sessions for the Care Quality Commission, including a key role in its new hospital inspections. This has led to us appointing 100 new Experts.



Your health & care

Age International

Chronic illnesses are on the increase around the world, even in developing countries where life expectancy is also increasing.⁹ Traveling to health clinics and hospitals can be impossible for older people with mobility problems or if transport is difficult to afford.

We said we would...

work with and through HelpAge for the implementation of international relief and development programmes that achieve clear and positive outcomes for older people.

This year we supported 63,000 older people to access community-based care through outreach work in 23 countries. 915,000 older people reported better health in 27 countries (with major growth in Ethiopia, India, Tanzania and Vietnam). This was made possible because of our calls for improved access to healthcare, increases in our services and self-care programmes, helping to treat chronic illnesses like heart disease and dementia and improvements in people's income.

We said we would...

build a growing UK supporter base.

This year we have participated in the 'IF' campaign, along with 200 other UK organisations. The aim of the IF campaign was to reduce hunger and malnutrition and to win policy commitments from the UK government on tax, trade, transparency and aid. We worked to ensure that the needs and rights of older people were taken into account.

The UK Government reiterated its commitment to spend 0.7 per cent of gross national income on aid from 2013. Ahead of the G8 meeting in the UK, an additional £4.1 billion was pledged by governments and other donors to tackle malnutrition. This was a significant achievement and one welcomed by Age International, since more older people die from malnutrition than any other age group, including children.



Our plans for 2014/15

- We will continue to develop and roll-out our Integrated Care Programme into three new areas with the aim of securing robust evidence to inform policy and practice.
- We will influence the Government ahead of the General Election and the Comprehensive Spending Review.
- We will continue to influence the Government to improve social care and achieve better outcomes for older people.
- We will deliver the Dignity Commission and Malnutrition Task Force implementation programmes.
- We will deliver a new programme in four African countries that improves 360,000 older men and women's access to age-friendly quality health services.

9 Halpin HA, Morales-Suárez-Varela MM, Martín-Moreno JM. Chronic disease prevention and the New Public Health. Public Health Reviews 2010;32:120-154.

‘When you are a child, **age is just a number**. Why should that change with time?’

Fauja, 102



Your home

Older people should be able to live safely and with dignity in good quality, warm housing that meets their individual needs, free from exploitation or abuse. But too many people in later life are living in poor-quality, cold homes, struggling to maintain and adapt their homes – this is detrimental to their health.

Older people worldwide are increasingly finding themselves in situations of great insecurity and vulnerability due to natural and man-made disasters and conflict. 26 million older people are affected by natural disasters each year.¹⁰

We want to see a world where everyone in later life feels comfortable, safe and secure at home.



We want to see a world where everyone in later life feels comfortable, safe and secure at home.

We said we would...

with our partners, reach more than 75,000 people through our winter warmth programmes.

Our winter warmth programmes, supported by E.ON, Scottish and Southern Electricity (SSE), Wilkinsons and Churchill Retirement Living, enabled Age UK and local Age UKs to reach 260,000 older people this year. We offered advice such as highlighting ways to make energy bills more affordable, home improvements to address draughty and energy inefficient houses, and opportunities for older people to get together during the winter months.

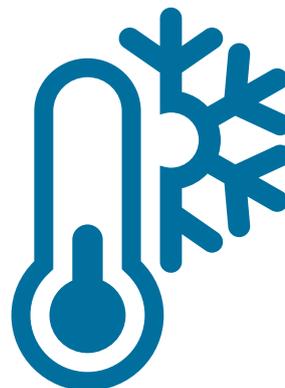
The E.ON and SSE funded programmes enabled local Age UKs to provide free bespoke energy checks for over 2,600 households and to install nearly 21,000 energy efficiency items (such as draught excluders and radiator foils).

We estimate that these measures will save older people about £140,000 on their energy bills every year (£54 average per household) and lead to a reduction of 132,977 kg in CO₂ (51 kg average per household).

E.ON and SSE also funded free benefits advice checks as part of their winter programmes. These checks, delivered by our local partners, identified nearly £22 million of unclaimed benefits to 8,624 people, on average equating to £2,544 per person, per year.

Support from Wilkinsons helped over 21,000 older people socialise and remain independent over the winter months, including support for local Age UKs' befriending services, practical help with things like shopping, funding for winter events and delivery of winter food parcels. Thanks to unexpected sponsorship from Churchill Retirement Living, we were able to more than treble our 75,000 reach target by distributing over 100,000 additional copies of our *Winter Wrapped Up* guide.

There were **30,950 excess winter deaths** of people aged 65 or over in the UK during the winter of 2012/13, a **30 per cent rise from the previous winter**.¹¹



11 Aggregate of figures for 65 and over excess winter death statistics, from ONS (England and Wales), GROS (Scotland), and NISRA (Northern Ireland), 2012/2013.

We said we would...
aid the transition of our HandyVan services to our local partners.

Age UK and our local partners know that older people really value that ‘little bit of help’ that Handyperson services can offer. More than a third of local Age UKs provide local Handyperson services, helping over 65,000 people each year.

For many years, Age UK ran its own Handyperson service called HandyVan, which was valued by many people. However, compared to the combined services offered by our local partners, HandyVan was relatively small, supporting people in only 17 areas. In early 2013 we decided instead to help more older people across the country by investing our effort in supporting local Age UKs to provide more and better Handyperson services themselves.

We worked closely with our local partners during the closure of HandyVan to make sure that our customers were signposted to alternative services. To ensure Age UKs could offer alternative help, we put together a package of transitional support to partners in HandyVan areas.

£100,000 of grants were distributed to nine local Age UKs to expand their existing provision or set up new services. We also gave them eleven vans and a large amount of equipment. Additionally, Age Cymru was given a grant to set up a new nation-wide service.

We said we would...
continue to influence the Government as it develops a new fuel poverty strategy and press for a more sustained effort to improve energy efficiency.

We have been engaging with the Department of Energy and Climate Change to try to influence the development of the Government’s new fuel poverty strategy.

As part of our annual Spread the Warmth campaign, Age UK campaigners sent 2,853 emails to over 530 MPs telling them that older people need warm homes. We played a leading role in Cold Homes Week 2014, a week of action organised by the ‘Energy Bill Revolution’ to raise awareness of the scandal of excess winter deaths.

During the week, over 1 million people saw messages about Cold Homes Week on Twitter and the Energy Bill Revolution campaign now has the support of 248 MPs.

The Government’s main policy instruments to address fuel poverty in England – the Energy Company Obligation and the Green Deal – have also been reviewed and revised. Age UK has highlighted the challenges faced by older people in accessing these new schemes, as well as the need to use appropriate ways of raising awareness and not, for example, cold calling.

We said we would...
continue to provide informative features, music and topical discussion on our radio station, The Wireless.

The Wireless, Age UK’s radio station, offers a mix of advice, information, music and entertainment. It has grown rapidly since its launch in 2012 and recent research by Audiomonitor found that it attracts an audience of 213,000 people a week, both online and via DAB in London. This year we have also started broadcasting The Wireless in over 250 of our charity shops. We plan to broadcast it in all our shops by August 2014.

With content focused on our information and advice, fundraising, international and research activity, The Wireless supports our charitable objectives as well as helping us to promote and raise money for our work.

‘What a great station The Wireless is, entertaining and informative. I love the phrase ‘Radio for grown ups’. It is the right note!’

The Wireless listener



We said we would...

improve the experience of people visiting our website so that they can more easily find and access the information they are looking for.

This year we refreshed our national website, redesigning our home page to signpost visitors more clearly to our most popular and useful content, and to the services offered by Age UK and our local partners. Funding provided by the Exilarch's Foundation has enabled us to improve much of our content, in particular our information and advice pages, to make it easier to read and easier to find.

In 2013/14, we had 5.8 million unique visitors, up 28.9 per cent on last year. The number of people who came to our website looking for information and advice rose from 2.3 million in 2012/13 to 2.8 million in 2013/14, an increase of 21.7 per cent.

We said we would...

optimise our website for use on mobile and tablets so people can access and effectively navigate our website from a variety of devices.

The number of people visiting our website on mobile devices such as smartphones and tablets increases every month. To make it easier for our mobile visitors to use our site, we have introduced mobile friendly pages for some of our most popular content, such as our home page, donation pages and information and advice pages.

As at 31 March 2014, 29 per cent of our visitors used a smartphone or tablet, up from 18 per cent the previous year. Of these, 59 per cent used a tablet, which is the reverse of general digital trends, where smartphone usage dominates. We know that the uptake of tablets has been particularly high in our core audience of older people.

Gifted Housing Service

We provide our Gifted Housing Service to people who choose to donate their property to Age UK in their lifetime. People join the service for many different reasons, but many find themselves on their own or without support in later life and have concerns about managing the responsibilities of home ownership and upkeep. In return for their donation, we maintain the property and provide help and support to enable donors to stay living independently in their own home. This year we have supported 63 donors, including three new donors.

Online at Home programme

With the generous support of the Stavros Niarchos Foundation, we provided 400 housebound older people with a free computer, internet connection and training for six months. Delivered through 12 local Age UKs, the scheme has helped reduce isolation, enabling older people to learn new IT skills and use the internet to make social connections and explore areas of interest.

'Before participating in the Online at Home programme, I knew next to nothing about IT. Family pressure, and the fact that my son and his family moved to Spain, spurred me on to sign up for the project. Now we Skype all the time!'

Margaret, who lives in sheltered accommodation in Darlington.



Your home

Age International

Older people are among the most vulnerable and neglected during international emergencies. Age International is a member of the Disasters Emergency Committee (DEC), the umbrella organisation which launches and coordinates responses to major disasters overseas. We also worked with 15 international humanitarian agencies to ensure that they took into account the needs of older people in their emergency response programmes.

We said we would...

work with and through HelpAge for the implementation of international relief and development programmes that achieve clear and positive outcomes for older people, and support work that influences national, regional and global policy and practice.

Through Age International, we ensured that the needs of older people were met during natural and man-made emergencies. We helped 507,000 older people through emergency response and recovery programmes in 16 countries, with major responses in the Philippines, Ethiopia, Kenya, India and Sudan.

In 2013, we began a programme to assist older refugees from Syria who had fled to Jordan. Crowded refugee camps can be inappropriate for people in later life, who need easy access to essential services. Instead, many older people choose to live in rented accommodation more appropriate to their needs. We provided cash transfers to enable older people to pay their rent and buy the goods they needed, such as food and medication.



Our plans for 2014/15

- We will develop a new strategic partnership to support information and advice on housing rights and options.
- We will offer home energy checks to over 2,800 households through our winter warmth projects.
- We will look to develop a new social enterprise that builds on our existing products and services and that will further support independent living and enable greater choice for older people.
- We will work as a member of the Disasters Emergency Committee (DEC) to support older people who have been affected and ensure that their needs are met and represented following emergencies.

‘The cash transfers from Age International are vital for us. You are showing consideration for the lives of all Syrian victims of this war.’

Moustafa, 62, forced to flee from Syria to Jordan.

**‘My work keeps me happy
and keeps me young’.**

Harry, 80



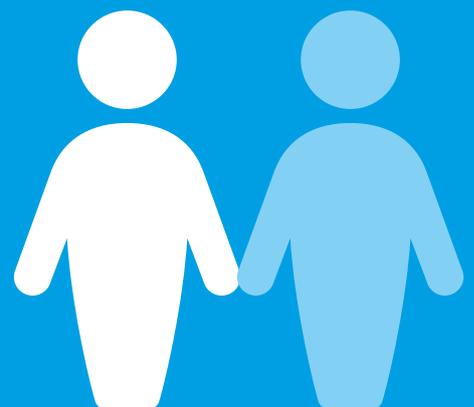
Your community

Age UK has estimated the contribution of people aged 65 plus across employment, informal caring, childcare and volunteering to be £61 billion a year – almost 5 per cent of the UK's entire GDP.¹²

Volunteering can also have significant benefits for the volunteer – providing an opportunity to meet new people, increasing confidence, reducing stress and increasing life satisfaction.

It is clear that older people have a great deal to give. However, they can sometimes find that they are discriminated against, or treated unfairly because of their age – and this can prevent them playing a full and active role in the economy and society.

We want to see a world where everyone in later life can participate in their community.



We want to see a world where everyone in later life can participate in their community.

Your community – the Age UK network in the UK

The Age UK network includes Age UK, Age Cymru, Age NI and Age Scotland and 167 local Age UK partners in England. We work with the network to ensure that as many people in later life as possible have access to Age UK advice, information and services.

The Age England Association (AEA) is the membership body for Age UK and our local partners in England. We work closely with the AEA to ensure effective engagement and communication across the Age UK network.

In total, our financial support for local Age UKs, Friends and Forums was £25.1 million. The £25.1 million, split across each of our ambitions included £11.1 million in grants, £1.7 million representing a share of the profits from Age UK charity shops, given to a local Age UK where the shop is located, £0.9 million from legacies in recognition of the local partner's strong relationship with the legacy giver and £11.4 million from Age UK Enterprises.

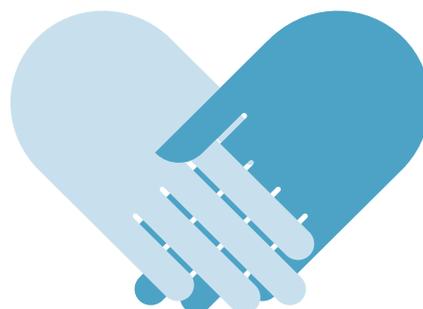
This money from Age UK Enterprises (£11.4 million) goes to members of the Age UK Trading Alliance. Trading Alliance Members (TAMs) earned this money through the sale of Age UK Enterprises products. The income generated from the sale of these products, after costs, contributes to the work of local Age UKs in delivering services to their local communities.

We have worked throughout the year to strengthen our relationship with our partners in the other nations of the UK and to support the impact they have had on the lives of older people in Wales, Northern Ireland and Scotland. This year, funding for our national partners in support of their work came to £3.1 million (including grants, legacies and payments for their work with Age UK Enterprises).

We said we would...

continue to work to ensure that there is a local Age UK or Friend or Forum to provide support to people across all of England.

Age UK Friends and Forums are local organisations that work with local Age UKs and older people in their communities. We have successfully signed up over 500 Age UK Friends and Forums, meaning that the Age UK network now covers 96 per cent of England. Age UK Friends and Forums work in local communities to improve opportunities for older people to influence, find and access the advice and support they need.



We said we would...

develop an Age UK Organisational Quality Standard which will be rolled out across the network to ensure we have consistent quality across all Age UKs locally and nationally.

Working with the Age England Association, Age UK has begun to implement Organisational Quality Standards across the whole Age UK network in England. The Standards are endorsed by the Charity Commission, the regulatory body for charities, and assessed by an external organisation. The Standards aim to ensure that the network is effective, that its work has a positive impact for older people, and our services and activities are of a high standard.

We launched our Standards to local Age UKs in November 2013. As at 31 July 2014, 28 have been assessed and we expect all local Age UKs and Age UK to be assessed by 30 September 2015. We launched the Standards to Age Cymru and local Age Cymru partners in April 2014, and are in discussion with Age NI and Age Scotland about expanding the approach across the rest of the UK. The assessments to date reveal that the external assessors are particularly impressed with the customer focus and passion that staff and volunteers demonstrate in their work. Areas for improvement have been minor, and mostly relate to small areas of inconsistency within an organisation's practice.

We continue to support members of the network that are preparing for assessment, with our focus on areas where accepted good practice is fast evolving, for example, information governance and business continuity planning.

We said we would...

continue to help diversify the income base of local Age UKs, achieving a better balance of fundraised, statutory and social enterprise income.

In 2013, we created a new team specifically focused on helping local partners to sustain and grow services for older people. At a time when local authority budgets have been cut significantly, the team's focus has been on increasing the ability of local Age UKs to win

NHS contracts and to develop sustainable charged-for services with older people as the customers.

The team provided bespoke support to individual local Age UKs which has led directly to those partners winning new contracts and tenders.

We are setting up peer support networks, enabling local Age UKs to learn from and support each other in a range of areas, including developing paid-for services.

We have created new training programmes for local Age UKs. We launched our tender writing master-class in March 2014, run by one of the country's leading tender experts. We also piloted our innovative Service Transformation Programme to address live challenges, such as providing new healthcare services for NHS commissioners.

We also provided bespoke fundraising support to local Age UKs, ranging from helping them develop a fundraising strategy to help with day-to-day fundraising activities. This has led to partners engaging in new fundraising activity which will help diversify their income.

We said we would...

work to improve our ability to demonstrate the social impact of the Age UK network.

This year we have worked closely with the Age England Association to develop a new Shared Strategy for Age UK and local Age UKs in England. The purpose of the Shared Strategy is to articulate what the network as a whole is aiming to achieve with an emphasis on common goals, stated in terms of social impact. This has generated a lively debate about how to encapsulate our common purpose and what our top shared priorities should be.

For many of the proposed common goals, we already have systems in place for collecting and collating data on social impact, for example for information and advice services. For others, we will need to introduce new measurement methods. Next year we plan to publish a review of achievements across the Age UK network.

Your community

We said we would...

together with our partners, continue to improve the experience of the volunteers who support all areas of our work.

Age UK and our network of local Age UKs are supported by approximately 75,000 volunteers. Our work would not be possible without their tireless commitment.

We have improved our support for Age UK's volunteers so that we deliver the best and safest experiences for them. We also developed and published materials for the use of the wider Age UK network, including recruitment and induction materials.

This year, we hosted our second annual Older Volunteers Awards. The awards gave recognition to 17 of our outstanding volunteers and celebrated the vital contribution that older volunteers make across the Age UK network. We estimate that 37 per cent of volunteers in local Age UKs are aged over 65 and 27 per cent of volunteers in Age UK charity shops are aged over 60.

We said we would...

work to improve Government back-to-work support for unemployed older workers.

Older job seekers have a lower chance of moving back into work than younger job seekers, a crucial issue with the State Pension age set to rise. Age UK has continued working to improve the back-to-work support on offer to job seekers aged 50 and above.

This year we sought to influence policy-makers and service providers to improve the programmes and services on offer to support unemployed people aged 50 plus. We were pleased that policy-makers and service providers have acknowledged the evidence we presented that the current system disadvantages the over 50s. We will continue to work with the body that represents welfare-to-work service providers, the Employment and Related Services Association (ERSA) to look at ways to improve services.

We said we would...

support efforts to change perceptions of older workers so that discrimination on the grounds of age is reduced.

Age UK commissioned the University of Essex to examine whether there is any evidence for some of the common negative perceptions of older workers, such as being more likely to be off sick, or being less productive and more inflexible than younger colleagues. The research confirmed that these traits are not dependent on age.

We promoted the research findings to employers, the media and policy makers, and will continue to call on the Government to do more to promote good age-friendly practices among employers.

Improving support to our partners in England

This year we reconfigured our support to partners to ensure that we work as efficiently as possible. In July 2013 we launched a Partner Helpdesk to provide a single point of contact for local partners. Since its launch, the Helpdesk has received over 1,300 enquiries (now averaging over 40 per week). We also launched a new extranet, the loop, in February 2014 to improve collaboration and communication across the network.

We helped local Age UKs to respond to some of their organisational challenges. Through our support programme we have delivered tailored events and seminars on issues such as VAT, pensions, financial management and good governance to staff and Trustees from over 50 local Age UKs. We also provided one-to-one support for a further 23 local Age UKs, to address a range of strategic, collaborative and governance issues.



Your community **Age International**

We said we would...
work with and through HelpAge to influence national, regional and global policy and practice.

This year we continued to push for progress towards a UN convention on the rights of older people by working with the Global Alliance for the Rights of Older People, and through our partnership with HelpAge on the Age Demands Action global campaign which involved 228,000 older people from 60 countries.

We have learned from the experience of human rights conventions for children, women and people with disabilities, that giving governments greater guidance on how to protect the rights of people in specific circumstances can have a huge impact.

The Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the UN. The UN is currently leading the debate on what should follow the MDGs when they expire in 2015. Age International has played an important role in supporting the HelpAge network to influence the UN's post 2015 Development Agenda process. Together we drafted a statement of ageing and secured endorsement by key international organisations. This statement was used to influence the authors of the UN Secretary General's Report on the sustainable development framework post-2015 – and as a result the report made important references to ageing.

We said we would...
work with HelpAge affiliates to strengthen the global network.

Age International is the UK member of HelpAge International, the only global network of organisations focusing on ageing. The HelpAge network has almost 100 members in more than 60 countries

working with and for older people. This year HelpAge secured EU funding to support its EU affiliates to work more closely together in order to strengthen our capacity to influence ageing and development policy at a national and EU level. As part of this project we attended an EU networking meeting in Slovenia to build a stronger network wide approach to influence on post 2015 and the UN convention work.

Older People's Associations

We worked with 5,885 Older People's Associations to deliver a variety of programmes at community level – utilising the unique resources and skills that older people have to provide effective social support and deliver services.

Our plans for 2014/15

- We will continue to implement the Organisational Quality Standards across the whole Age UK network to ensure that older people have access to the support of high quality organisations in their local community.
- We will directly support local Age UKs to win contacts and launch new paid for services in order that our partners can provide more and better services for their local community.
- We will deliver a new engagement programme with older people and volunteers to inform our national services strategy and delivery.
- We will continue to improve the experience of the volunteers who support all areas of our work.
- We will support over 6,000 Older People's Associations in 23 developing countries to monitor the provision of services by governments and other agencies, and support work in 11 countries to mobilise action to prohibit the discrimination and abuse faced by people in later life.

‘Living longer brings many things to the surface. **I’m happy and contented in my life.**’

Velda, 76



Funding and finance

Age UK is proud to be both a charity helping millions of people enjoy a better later life, and a vibrant social enterprise providing products and services tailored to the needs of older people.

Our overall turnover this year was £166.6 million, an increase in income of £7.7 million from the previous year. This was mainly due to increases in legacies, gifts and donations and trading activities. The rise is the result of hard work over several years.

This year we spent £78.3 million on charitable expenditure, a slight increase on last year, and much more than our fundraising income of £46.2 million. This was possible because of the contribution of our social enterprise.



How we raised our funds



Over **45,000**
personal alarm
service customers.



Virgin London
Marathon runners
raised **£463,000**.

£22.1 million
income from legacies.

Over 1 million
customers choosing
products such as home
insurance, energy tariffs
and funeral plans.



145,000
Age UK lottery
customers.

**Over
10.1 million**
customer
transactions in our
439 charity shops.



76,000
regular givers
supporting our UK
work each month.



Corporate sponsorship
and funding of
£4.9 million.



£6.1 million
received in grants.

**£10.4
million**
raised from
training activities.

£500,000
raised from our appeal
for the Philippines.

How we raised our funds

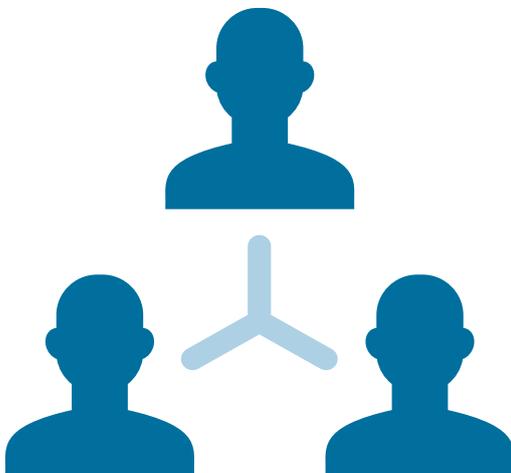
Age UK is proud to be both a charity and a vibrant social enterprise.

Fundraising

Fundraising makes up over a quarter of our total gross income. This includes valued legacies, gifts, donations and grants.

Fundraising remains essential to funding our charitable work. We strive to keep costs as low as possible and as a result fundraising (voluntary income) remains our biggest source of net income (£46.2 million). We are very grateful to our millions of donors and supporters who continue to help us make later life better for everyone.

‘We want to **thank all our customers, donors and supporters** for their valued contributions. **We are committed to making every penny count.**’



Social Enterprise

Our trading activities make up over two thirds of our total gross income. After the costs of our trading activities are deducted, the net profits are donated using gift aid to the charity and used to help fund our charitable work.

We are not like many traditional charities. Put simply, we are able to spend more on our charitable work (£78.3 million) than we fundraise for (£46.2 million) because of our trading activities, and that is essential to achieving our charitable purpose of helping people enjoy a better later life.

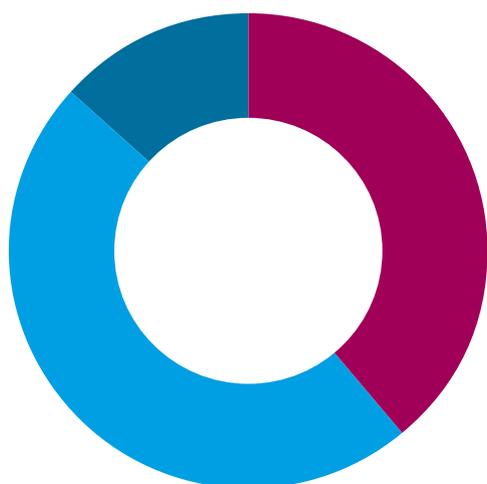
We are proud of the products and services we offer as they are tailored to the needs of older people, a market sadly overlooked by many providers. They help people remain independent in their own home, they offer insurance and energy options that are transparent and offer value for money and, through our training programmes, they improve the quality of care, support and customer experience that older people receive. Our charity shops offer our customers good quality products and are a place for the public to support our work through donating items and recycling. Importantly they are a place where people of all ages can find out about what Age UK can do for them and their families.

Products and services from Age UK don't apply upper age limits, we do not apply hidden fees and the 'excess' our insurance customers pay if claiming on their policy is kept low. Crucially, we ensure we offer our customers the information they need to help them make an informed choice about what is right for them. And, we offer a face-to-face service through our network of over 200 local offices – something many older customers tell us they value.

Further information on the source of our funds can be found in the financial review on pages 47 to 60.

Voluntary and charitable income

Voluntary (fundraising) income (total: £46.2 million)



- Donations and gifts (£18.0m)
- Legacies (£22.1m)
- Grants (£6.1m)

Fundraising: voluntary income

In 2013/14, we raised £46.2 million of voluntary income, an increase of £2.6 million on 2012/13. Voluntary income includes donations from the general public and corporate entities, legacies and grants. Our fundraising income is vital to the support we give to older people in the UK and internationally.

Highlights of these activities during the year included:

- £22.1 million income from legacies, making up almost half of our voluntary income in 2013/14.
- £18.0 million in donations and gifts, with 76,000 regular givers supporting our UK work with monthly donations and another 60,000 people supporting us with cash gifts, responding to our appeals and campaigns.
- E.ON donated over £1.1 million to our winter warmth programme.
- GlaxoSmithKline is funding a three year programme which commenced in January 2013 to improve the health and wellbeing of older people on a transformational scale across five key communities within the UK. Exercise and fitness based health and wellbeing programmes have been co-designed with older people to meet their needs and interests.

- Age UK was one of six causes to benefit from ITV's national charity appeal, Text Santa. We received over £850,000 to fund services that helped older people keep warm and well in winter. The TV show also provided an opportunity for Age UK to highlight this important issue to an audience of over 5 million people.
- Received £6.1 million in grants, details of which are available in the notes to our financial statements on page 88.

Income from charitable activities

A small part of our income is derived from our charitable activities. In 2013/14, we received £6.6 million in income from charitable activities, compared to £7.0 million in the previous year.

Age UK Trading carried out training activities that generated £4.4 million for Age UK's income from charitable activities – compared to £4.1 million in 2012/13. This income was largely derived from the provision of training for the health and social care sector. Non-charitable income from commercial training activities totalled £6.0 million. The remaining contributions to our income earned from charitable activities are derived mainly from our Gifted Housing Service (see page 30) and our Care Quality Commission service contract (see page 24).



Fundraising

Age International

Of the total voluntary income of £46.2 million, £5.5 million was raised in 2013/14 for our international work. This compares to £3.7 million in 2012/13.

- Our Syria emergency appeal to support older refugees in Jordan raised £350,000.
- Our Philippines appeal to help older people recover from the typhoon raised £500,000.
- We also joined two Disasters Emergency Committee (DEC) appeals on Syria and Philippines for which we were allocated £544,000 and £1,753,000 respectively.
- We continued to raise funds through our Sponsor a Grandparent and Raise a Grandchild schemes and our online ethical gifts catalogue Cows'n'Things.

- We engaged with new and current donors by holding a fundraising dinner hosted by Martina Navratilova and an event in the studio of the acclaimed sculptor Sir Antony Gormley.
- We secured a grant of £481,000 from the Big Lottery Fund to provide livelihoods and micro-credit to 45,000 older people in Pakistan.
- We worked with Age UK charity shops to collect and sell donated stock on behalf of Age International. The proceeds are due to be matched by the UK Government's Department for International Development (DFID).

More information on fundraising can be found in Age International's Trustee's Report 2013/14.

Financial services products, alarm services, lotteries and raffles

Financial services products, alarm services, lotteries and raffles income (total: £56.6 million)



- Insurance (£22m)
- Raffles and lottery (£9.1m)
- Funeral plans (£10.2m)
- Alarms (£8m)
- Energy (£7.1m)
- Other (£0.2m)

Age UK Enterprises Ltd (Enterprises) is registered under the Financial Conduct Authority for the regulated part of its business, namely the provision of insurance services. It also promotes other financial products such as funeral and energy plans, as well as running a weekly lottery. Aid-Call Ltd designs, sells, rents, installs, monitors and maintains alarms for people at risk. All these products are designed to provide value for money or address a market gap or failure.

Turnover from financial products, alarm services, lotteries and raffles amounted to £56.6 million (£52.3 million in 2012/13). Volume growth was seen across all key areas. The surplus of £25.7 million (£21.4 million in 2012/13) represents an increase of 20 per cent. The main areas of growth were within funeral plan income (£1.8 million), energy (£1.1 million), raffles and lottery (£0.6 million) and alarms (£0.5 million).

Highlights of these activities during the year included:

- Over 1 million customers have chosen our products such as home, travel and car insurance, energy, funeral plans and the Age UK lottery.
- Our weekly lottery is the largest social lottery in the UK, with an average of 145,000 customers.
- We provided a personal alarm service to more than 45,000 customers.

Trading Alliance Members

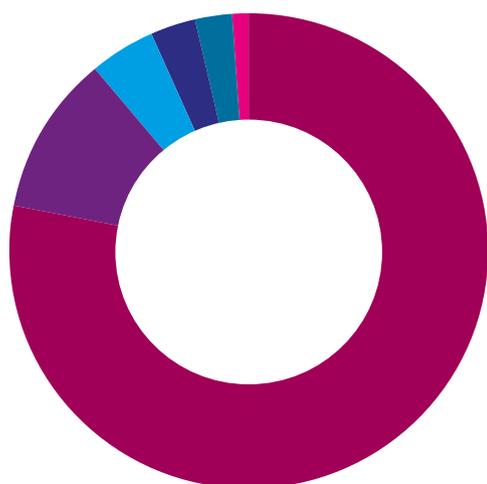
As at 31 March 2014, 95 local Age UKs were working collaboratively with Age UK Enterprises to sell its products and services. These Trading Alliance Members (TAMs) provide a valuable face-to-face service in their local area (see page 34).

All TAMs sign up to Age UK's Trading Alliance Agreement to formalise the working arrangement and this agreement is reviewed regularly. Under the current agreement, income generated from the sale of products, after costs, is shared 55:45 between TAMs and Age UK Enterprises. The income generated contributes to the work of local Age UKs in delivering services to their local communities.

During 2013/14, our Trading Alliance partners, including Age Cymru, Age NI and Age Scotland, received over £13 million (£11.7 million in 2012/13) in income.

Retail, trading, training and sponsorship

Income generated through retail, trading and training, sponsorship and events (total £55.8 million)



- Retail donated goods (£43.7m)
- Training (£6.0m)
- Retail brought in goods (£2.5m)
- Retail affinity income (£1.7m)
- Sponsorship and events (£1.3m)
- Other (£0.6m)

Retail, trading and training activities are carried out by Age UK and its trading subsidiary Age UK Trading Limited.

As at 31 March 2014 there were 439 charity shops (owned by Age UK and Age NI) selling donated goods and bought-in goods. The shops also provide an opportunity to promote the information, advice, products and services of Age UK and its local partners. Age UK contributes some of the profits of each shop to local Age UKs in the same area as the shop, through grants and the local shop supporters scheme.

Age UK Trading generated income from affinity sales of a wide range of products, including stair lifts, bathroom equipment and adaptations, incontinence products, mobile phones, mobility scooters, beds, chairs and hearing aids. All these products are aimed at supporting older people living independently in their homes and can be accessed online, via Age UK charity shops and through Trading Alliance Members.

Age UK Trading carried out training activities that generated a total of £10.4 million, a decrease of £0.3 million on the previous year. This included £6.0 million of commercial training activities (£6.6 million in 2012/13).

In 2013/14 retail, trading and training generated income of £55.8 million (£54.2 million in 2012/13), an increase of 3.0 per cent. The overall increase of £1.6 million is the result of an improvement in retail and affinity income.

Highlights of these activities during the year included:

- The receipt of 4.2 million bags of donated stock, 17.0 million hanging garments and the processing of over 10.1 million customer transactions.
- The opening of seven new concept stores delivering retail, enterprises, affinity products and services all in one location.
- Increasing our affinity commission income by £0.5 million to £1.7 million.
- Benefiting from the vital support of more than 8,551 volunteers in our shops (8,032 in 2012/13).
- The completion of two Government training contracts, one with the Skills Funding Agency and the other with the Education Funding Agency, plus the development of commercial training opportunities benefiting those in later life.
- The launch of the Age UK hearing proposition.



Celebrity chef, Ainsley Harriott, supporting the Age UK Vitality Ball 2013.

Fundraising: sponsorship and events

Age UK, together with its trading subsidiary Age UK Trading Ltd, raised £1.3 million income through commercial sponsorship and fundraising events.

Highlights of these activities during the year included:

- Holding the third Vitality Ball, which raised £260,000 (of which £121,000 has been recognised as income in 2013/14) for services tackling loneliness amongst older people. We would like to thank the sponsors of this event for their generous support – E.ON, Ageas, Dignity, Just Retirement Solutions and the Post Office.
- Organising a series of 10k running events as part of the Spread the Warmth campaign.
- Participating in the Virgin London Marathon which raised £463,000 for Age UK.
- Since 2011, Prudential UK & Europe has been funding a programme called Planning for Later Life, which delivers holistic advice to older people experiencing a significant life event. As of 31 March 2014 the programme has helped over 6,200 people.

Financial review

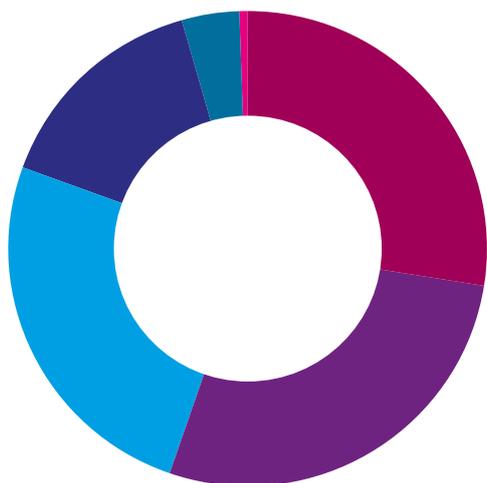
This review covers the fifth year of operations of the Age UK Group. The Group experienced a 4.9 per cent growth in income to £166.6 million, and increased its charitable expenditure to £78.3 million.

The Group is pleased to report growth in net assets to £27.6 million.

Summary statement of financial activities

Year ended 31 March	2014 £m	2013 £m	Change %
Total income	166.6	158.9	4.9
Cost of generating funds	(80.7)	(81.1)	(0.5)
Net contribution	85.9	77.8	10.4
Charitable activities	(78.3)	(78.0)	0.4
Other income and costs	(0.2)	(0.4)	(50.0)
Net income/(Expenditure)	7.4	(0.6)	

Income by Source (total: £166.6 million):



- Voluntary income (£46.2m)
- Retail (£46.2m)
- Insurance and other commissions (£42.4m)
- Other trading (£24.6m)
- Income from charitable activities (£6.6m)
- Other (£0.6m)

Overall total incoming resources increased by £7.7 million on the previous year at £166.6 million (£158.9 million in 2012/13). The main income streams were:

- £46.2 million voluntary income (£43.6 million in 2012/13)
- £46.2 million retail income (£44.7 million in 2012/13)
- £42.4 million insurance and other commissions (£37.5 million in 2012/13)
- £24.6 million from other trading activities, comprising raffles, lotteries, personal alarms, training activities, corporate sponsorship and fundraising events (£24.3 million in 2012/13)
- £6.6 million income from charitable activities (£7.0 million in 2012/13).

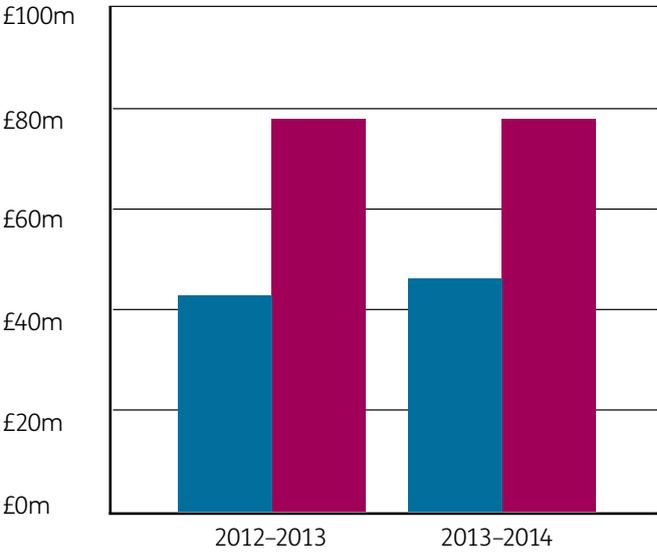
Voluntary income of £46.2 million increased by £2.6 million from the previous year due to increases in donations and gifts (£1.7 million) and legacy income (£2.0 million). The income from grants decreased from the 2013 level. The increase in voluntary income reflects an improvement in the fundraising environment being experienced towards the end of the year, particularly from legacies. Cost of generating voluntary income fell slightly on the 2013 level.

Income from activities for generating funds, referred to as Age UK's trading and commercial activities, was £113.3 million (£106.5 million in 2012/13). The overall increase was mainly due to increases in retail and insurance and other commissions. Retail income showed growth due to higher donated goods volumes. Costs of generating trading and commercial income decreased by £0.1 million.

Charitable expenditure (total: £78.3 million):



- Your money (£11.5m)
- Your wellbeing (£14.8m)
- Your health & care (£16.0m)
- Your home (£11.4m)
- Your community (£24.6m)



- Spend on charitable activities
- Voluntary income

Total charitable expenditure in the year increased to £78.3 million (£78.0 million in 2012/13). This is higher than the total voluntary income of £46.2 million, showing that Age UK has spent more than the total amount received through donations on its charitable activities. Charitable expenditure has been split against Age UK’s newly revised ambitions and re-stated for the prior year.

Restructuring for the future

This year Age UK incurred a number of exceptional redundancy costs following a review of the structure of the organisation to determine how it could deliver core services to beneficiaries more effectively. These changes resulted in more than 120 redundancies meaning an on-going salary reduction of over £4 million in a full year plus other savings in expenditure such as from procurement.

Teams from all parts of the organisation were affected. No cost of living pay rises were made for 2013/14 to any staff other than those on the lowest wage. Salary levels in the organisation remained largely similar to the previous year.

Balance sheet

	2014 £m	2013 £m
Fixed Assets	28.8	28.1
Investments (including joint ventures)	21.4	21.0
Net current assets / (liabilities)	5.1	(0.1)
Long-term creditors and provisions	(9.1)	(10.8)

Net assets before defined pension scheme liability	46.2	38.2
Defined pension scheme liability	(18.6)	(19.1)

Net assets after defined benefit pension scheme liability	27.6	19.1

Balance sheet assets increased by 44.4 per cent, from £19.1 million to £27.6 million. The £8.5 million increase in balance sheet assets comprises:

- £2.8 million increase in revaluation of properties.
- £2.1 million decrease in fixed assets due to lower levels of capital expenditure.
- £0.4 million net increase in investments.
- £5.2 million improvement in net current assets. This is a result of increased cash balances partially offset by higher Trade Creditors and accruals.
- £1.7 million net reduction in provisions and creditors due after more than one year, due to lower finance lease obligations and provisions for property maintenance.
- £0.5 million reduction in defined-benefit pension scheme liability.

Of the total £21.4 million investments (£21.0 million in 2012/13), £19.1 million are liquid investments which are readily available and can be converted to cash if necessary to meet any obligations.

Pension scheme

In October 2012 the two final-salary pension schemes of Age Concern England and Help the Aged merged into one scheme with two sections. The defined-benefit pension scheme deficit of £18.6 million (£19.1 million in 2012/13) is explained in detail in Note 20 of the financial statements. Both sections of the scheme are closed to new entrants and future accrual.

A full actuarial valuation took place on 1 April 2013 and this has been reworked and projected forward using the 2014 FRS17 assumptions.

Both sections of the scheme are valued and reported in accordance with FRS17 and advised by respective scheme actuaries. The scheme showed an overall decrease in deficit due to recovery contributions of £3.3 million (£3.5 million in 2012/13), and an experience gain on the liabilities within the Help the Aged Section. The impact of this was partially offset by updated mortality and higher inflation assumptions.

Reserves policy

The Trustees of Age UK have a liquidity based approach to reserves, which requires the charity to have a target holding of £20.0 million of reserves in cash and realisable investments (total liquid investments), which is the amount deemed by the Trustees to be sufficient to meet working capital requirements allowing for uneven cash flows during the year.

Actual total liquid investments were £30.8 million at 31 March 2014 (£18.3 million in 2012/13).

This equates to cover of 154.0 per cent (91.6 per cent in 2012/13). Excluding restricted reserves, general liquid investments amounted to £25.5 million (£13.8 million in 2012/13) shown in the table below.

Liquid investments

	2014	2013
	£m	£m
Liquid assets	4.5	0.6
Listed investments	14.6	17.4
Total liquid investments excl cash	19.1	18.0
Net cash	11.7	0.3
Total liquid investments	30.8	18.3
Less: restricted reserves	5.3	4.5
General liquid investments	25.5	13.8

Long-term investment fund: asset allocation and benchmark performance

Asset Class	Total return (12 months to 31 March 2014)	Return per index	Comparison against benchmark	Asset Allocation at 31 March 2014
	%	%	%	%
Fixed interest	-1.1	-1.8	+0.7	39.2
UK equities	10.1	9.1	+1.0	21.7
Global equities	4.2	6.1	-1.9	19.2
Alternative assets	2.4	0.5	+1.9	15.9
Liquid assets*	n/a	n/a	n/a	4.0
Total	4.0	5.1	-1.1	100.00

Portfolio benchmarks: FTSE All Share 5 per cent Capped, BoA ML UK Index Linked Gilts, MSCI AC World ex UK & LIBOR 1 Month.

*Liquid assets – Sarasin & Partners Ltd does not report the total return on liquid assets separately.

The asset allocation and individual benchmarks changed during the year, thereby affecting the total comparison against benchmark.



Investment policy

The investment principles adopted by the Trustees are:

- To protect the real value of our assets and income by holding a diversified balanced portfolio of uncorrelated asset classes in order to reduce risk.
- To hold at least £5.0 million in readily convertible assets, including cash, in order to provide flexibility.

We are currently reviewing our investment policy including social, environmental and ethical considerations.

Age UK's investment manager is Sarasin & Partners LLP. As at 31 March 2014, Age UK held just over £19 million with Sarasin. The funds are split between short-term and long-term portfolios. The short-term portfolio contained just over £5 million and was invested defensively in corporate bonds, alternative assets and cash. The long-term portfolio contained just under £14 million and was invested in corporate bonds, index-linked gilts, UK and global equities, alternative assets and cash. The largest investment (£2.1 million) was in the Sarasin Charity UK Equity Fund which is a diversified portfolio of UK equities aiming to beat the return from the FTSE All Share 5 per cent Capped Index.

The short-term portfolio produced a total return of +2.7 per cent for the 12 months to 31st March 2014, which was a little behind the benchmark return of +3.3 per cent. The long-term portfolio produced a total return of +4.0 per cent. The table on page 51 sets out the returns by asset class and whilst the total portfolio was a little behind the benchmark return of +5.1 per cent, Fixed Interest Securities, UK Equities and Alternative assets all out-performed their respective benchmarks, but global equities were behind.

Age UK also holds endowed funds with a market value as at 31 March 2014 of £2.1 million (2012/13 £2.0 million). The majority of endowed funds are managed by J.P. Morgan. The asset allocation and benchmark performance of these endowed funds is shown on page 51.

Age UK holds one property valued at £0.2 million (four properties valued at £0.9 million in 2012/13) as a long-term investment.

Dividend income fell from £0.7 million in 2012/2013 to £0.4 million in 2013/2014 as a result of a decrease in equity holdings.

Risk and internal control

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise, across the entire organisation to provide reasonable assurance that:

- Its assets are safeguarded against unauthorised use or disposition.
- Proper records are maintained and that financial information is reliable.
- The Charity complies with relevant laws and regulations.

The Trustees have in place a risk management process to assess risks and implement risk management strategies. This process includes a review by Trustees, directors and other charity officers. The process identifies the types of risk that the Charity faces, which are recorded in a Corporate Risk Register, prioritises them in terms of likelihood of occurrence and potential impact, and identifies the means of mitigating these risks. Risk management is embedded in the day-to-day processes of the Charity and its trading subsidiaries and this has continued to evolve over the year.

The Audit and Risk Committee, working closely with internal and external auditors, focused on assuring itself that all key controls were in place. The committee considers that the Group is increasingly able to focus on taking a risk-based approach to the strategic challenges it faces.

The Trustees consider that the principal risks and uncertainties that face Age UK are that we fail to:

- Maintain and develop Age UK's commitment to safeguarding and, more broadly, to ensuring that our treatment of our beneficiaries, volunteers, customers and supporters is in line with our values and the standards we set ourselves.
- Adopt best practice and ensure that we and our contractors fully comply with all new and existing legislation and regulations in relation to data security, and that we plan ahead so that our IT architecture is fit for purpose.
- Ensure the resilience and continuing development of the services provided by the Charity and its local Age UKs to older people who need care and support in order to live independently at home.

- Successfully sustain and develop Age UK's fundraising activities.
- Make successful investments and partnerships that lead to income growth.
- Recruit and retain Board members and staff with the skills and capabilities such that we have the people needed to enable us to realise our plans.

To address these risks this year we:

- Appointed a safeguarding specialist who worked with all teams to update our policies and improve our practice, and reorganised to provide better support to our volunteers.
- Developed Age UK's 'Customer Charter' for our trading activities, and made changes to the way we work as a result.
- Reviewed a number of areas of operation to ensure that they were compliant with new and existing regulations. As a result we have committed to invest more than £1 million in new systems to upgrade data security.
- Funded the Integrated Care Programme and actively supported local Age UKs to improve their services and win new business.
- Developed new materials to support fundraising for Age UK and Age International, with encouraging initial results.
- Negotiated effectively with new and existing commercial partners, opened new charity shops and agreed to a programme of closure of low-performing shops, employed specialist advisers who helped us prepare for the renewal of one of our most important commercial partnerships.
- Improved the benefits on offer to staff, and significantly increased the take-up of the pension scheme.
- Implemented the recommendations of a review of Board effectiveness by making changes to Age UK's Board, and initiated a review of policies to recruit and retain top talent.

There have been no serious incidents reported to the Charity Commission.

*Safeguarding means a range of activities which promote the rights of individuals, who need care and support and to live a life free from abuse and neglect.

Planning for 2014/15 and beyond

In 2013/14, Age UK's strategy was as follows:

- To achieve our charitable purpose, to improve the quality of later life, to continue to grow our charitable expenditure and to improve our understanding and further develop our social impact.
- To engage with our audience, reaching more people and improving the customer experience.
- To invest in our long-term future, developing and securing sustainable income streams.
- To improve the quality and effectiveness of the Age UK Group.

Age UK remains committed to these four strategic objectives – all of which ultimately help us further our social impact. Our 2014/15 priority areas for social impact are as follows:

Your money: Priority 1: Pensioner poverty

Why is this a priority? There are 1.6 million pensioners living in poverty and of these, 900,000 are in severe poverty.¹³ Globally only a fifth of the population have a pension and around 340 million older people are living without any secure income.¹⁴

Our plans for 2014/15 can be found on page 15.

Your wellbeing: Priority 1: Loneliness

Why is this a priority? Loneliness has a profound effect on the quality of life of many older people and has serious implications for their physical and mental health.

Priority 2: Dementia, cognitive impairment and healthy ageing

Why is this a priority? The number of people with dementia worldwide is estimated at 44 million and numbers are set to increase dramatically over the next 40 years, reaching 135 million by 2050.¹⁵ Losing thinking skills is

something older people fear most about later old age.

Our plans for 2014/15 can be found on page 19.

Your health & care: Priority 1: Integrated care

Why is this a priority? Older people should be able to expect high quality health and care services that are co-ordinated and joined-up around their needs and circumstances.

Priority 2: Dignity and care

Why is this a priority? Poor quality care is never acceptable but it is often only when poor care amount to abuse and neglect that it becomes a matter of public concern. Only 40 per cent of the public are confident that older people receiving social care are treated with dignity.¹⁶

Our plans for 2014/15 can be found on page 25.

Your home: Priority 1: Independent living

Why is this a priority? Older people should be able to live safely and with dignity in good quality warm housing that meets their individual needs, free from exploitation or abuse.

Our plans for 2014/15 can be found on page 31.

Your community: Priority 1: Volunteering

Why is this a priority? Older people contribute a huge amount to the economy and society. Nearly 4.0 million people aged 65 and over in England take part in volunteering or civic engagement.¹⁷ The volunteers get a lot out of it too.

Priority 2: Strengthening the network

Why is this a priority? Working with our partners to strengthen the network allows us to support the impact they have on the lives of older people – locally, nationally and internationally.

Our plans for 2014/15 can be found on page 37.

13 Households below average income (HBAI): 1994/95 to 2012/13, DWP July 2014.

14 Old age, disability and mental health: data issues for a post-2015 framework, Overseas Development Institute, 2010.

15 Policy Brief: The Global Impact of Dementia 2013-2050, Alzheimer's Disease International, 2013.

16 Dignity in care (UK): *Older people study*, tacker survey for Age UK, Fieldwork: 04/04/14-13/04/14, 1,914 adults aged 50 or over, UK TNS, 2014 (results for 65+ only).

17 *Cohesion Research Statistical Release 11* (Citizenship Survey 2008-09, England), Table 3 (participation at least once a year), Communities and Local Government, 2010.

Age UK was formed by the merger of Age Concern England and Help the Aged on 1 April 2009.

Age UK is a charity constituted as a company limited by guarantee (registered charity number 1128267 and registered company number 6825798) and therefore subject to charity, trust and company law. This Report of the Trustees incorporates the Strategic report and the Directors' report required under the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013.

Age UK is governed by a Memorandum and Articles of Association, which sets out its charitable objectives in the following terms:

- Preventing or relieving the poverty of older people.
- Advancing education.
- Preventing or relieving sickness, disease or suffering in older people.
- Promoting equality and diversity and the human rights of older people.
- Assisting older people in need by reason of ill health, disability, financial hardship, social exclusion or other disadvantage.

Age UK Board of Trustees

Since its creation in 2009, Age UK has been governed by a Board of Trustees, which comprised 15 Trustees. The list of Trustees is shown on page 89. Four Trustees were nominated by the Age England Association. One Trustee was nominated by each of Age Scotland, Age Cymru and Age NI – the Articles of which were in force until March 2014. The members of Age UK were the members of the Board of Trustees together with Age Cymru, Age NI, Age Scotland and the Age England Association.

On 27 March 2014, members of Age UK agreed amendments to Age UK's Articles. The members of Age UK from March 2014 onwards are the members of the Board of Trustees. The Board now comprises of up to 12 members, of which one is the Chair of the Age England Association. Age UK has agreed to participate in and support a new

Partnership Board which brings together Age UK, the Age England Association, Age Cymru, Age NI and Age Scotland to discuss matters of common interest.

All candidates for the Board of Trustees must be able to demonstrate that they can fulfil the requirements of the role description. The process for recruiting new Trustees is based on an evaluation of the balance of diverse skills and experience needed to govern the Charity in its breadth. Newly appointed Trustees receive an induction programme and there are regular opportunities for updates throughout their term.

Trustees are involved in appraisals with the Chairman, which enable the identification of any training needs. Where such needs are identified, appropriate training is provided.

Board Committees

The Age UK Board has established a number of Committees to consider particular issues in greater depth and to advise the Board. The Board only delegates decision-making to Committees by exception. The following Committees advised the Board during 2013/14:

Strategic Finance Committee

The Strategic Finance Committee is chaired by Jeremy Greenhalgh. The Committee considers the financial plans and performance of Age UK and the cost effective and efficient operation of the Group.

In 2013/14 the Strategic Finance Committee met four times (exceeding the minimum number of meetings stated in its terms of reference). Members of the Strategic Finance Committee are identified on pages 89 and 90.

The Audit and Risk Committee

The Audit and Risk Committee is chaired by David Hunter. The Committee reviews audited financial statements of the Charity and recommends them to the Board. It also reviews the Charity's annual statement on internal control and risk management and recommends it to the Board. It reviews reports from the internal and external auditors and monitors management actions to implement recommendations made in audit reports. It determines the frequency and process of tendering for both external and internal audit services and considers their appointment, fees and independence and objectivity.

In 2013/14 the Audit and Risk Committee met four times (exceeding the minimum number of meetings stated in its terms of reference). Members of the Audit and Risk Committee are identified on pages 89 and 90.

The Remuneration and Nominations Committee

The Remuneration and Nominations Committee is chaired by Dianne Jeffrey CBE DL. The Committee reviews pension, employment and remuneration policies, determines the salary and appointment of the Chief Executive and the executive directors, and oversees Age UK's annual pay and performance review process. It leads the process of Trustee appointments, including the appointment of the Chairman of the Board of Trustees, Committee appointments and appointments to the Boards of Age UK's subsidiaries.

In 2013/14 the Remuneration and Nominations Committee met three times (exceeding the number set out in the terms of reference). Members of the Remuneration and Nominations Committee are identified on page 89.

The Fundraising Board

The Fundraising Board is chaired by Andrew Goodsell. This Board considers the Charity's fundraising strategy and capabilities and advises the Board on the development of Age UK's fundraising.

In 2013/14 the Fundraising Board met two times. Members of the Fundraising Board are identified on pages 89 and 90.

Age UK's subsidiaries

The Age UK Group comprises Age UK, Age International and a number of trading subsidiaries. Age UK's principal subsidiaries are:

Age International

The members of Age International are Age UK and HelpAge International. Age International is the UK affiliate of the HelpAge International global network of organisations focused on ageing. The network has 100 affiliates in 65 countries.

Age International is governed by a Board of six Trustees, of which two are nominated by Age UK and two by HelpAge International. Two further Trustees, who must not be connected to Age UK or HelpAge International, are nominated by the two organisations, these latter two serving for a three year term which may be renewed.

The Chair of Age International is Dianne Jeffrey CBE DL and the Director is Chris Roles.

More information can be found in Age International's Trustee's Report 2013/14.

Age International is the trading name of HelpAge International UK, a charitable company limited by guarantee and registered in England and Wales (registered charity number 1128267-9 and registered company number 07897113).

Age UK Enterprises

Age UK Enterprises provides insurance services and other products for people in later life.

The Board of Age UK Enterprises comprises non-Executive Directors who are also Trustees or Committee Members or executives of Age UK, non-Executive Directors who are not otherwise connected with Age UK, and Executive Directors.

To give the Age UK Enterprises Board the assurance it requires regarding risk management, there is an Age UK Enterprises Audit and Risk Committee.

The Chair of Age UK Enterprises in April 2013 was Tim Ablett who sadly passed away in May 2013. The interim Chair from May-August 2013 was Dianne Jeffrey CBE DL. The Chair from September 2013 onwards was Simon Waugh. The Managing Director of Age UK Enterprises is Gordon Morris.

Age UK Enterprises Ltd is a registered company limited by guarantee (registered company number 3156159).

Age UK Trading

Age UK Trading provides staff and management for Age UK's 439 charity shops, dealing in the sale of donated goods. In addition, Age UK Trading generates income from the sale of new goods and from selling second hand goods on behalf of the general public as an agent. The company earns commission income from the sale and marketing of third party products. The company uses its presence to promote the aims, ambitions and services of Age UK.

The company provides staff and management for Age UK's training courses and promotes and undertakes its own training activities.

There were five members of the Board of Age UK Trading during 2013/14. The members of the Board include Age UK Trustees, other non-Executive Directors not otherwise connected with Age UK, the Chief Executive of Age UK and the Managing Director of Age UK Trading.

The Chair of Age UK Trading is Tim Hammond and the Managing Director of Age UK Trading is Hugh Forde.

Age UK Trading is a registered company limited by guarantee (registered company number 1102972).

Age UK Services

Age UK Services Limited supplies services to the Age UK Group and external partners and undertakes other trading activities.

The services supplied in the year were:

- Marketing services
- Support services including Finance, Information Systems and HR for the Group
- Management of fundraising activities for the Charity

The company charges Age UK and the other companies within the Age UK Group for services provided.

The Chair of Age UK Services is Tom Wright CBE.

Age UK Services Limited is a registered company limited by guarantee (registered company number 06838416).

Aid-Call Ltd

The principal activity of Aid-Call consists of the design, marketing, sale, rental, installation, monitoring and maintenance of personal alarm systems for people at risk.

The Chair of Aid-Call Ltd in April 2013 was Tim Ablett. The interim Chair for May-August 2013 was Dianne Jeffrey CBE DL. The Chair from September 2013 onwards was Simon Waugh.

Aid-Call Limited is a registered company limited by guarantee (registered company number 1488490).

Age UK and its partners

Age UK is a member of the Age England Association. Age UK has regular meetings with the Association's Executive Committee which includes representatives of all nine regions in England.

Age UK also works closely with Age Cymru, Age NI and Age Scotland to co-ordinate work at a national level in the UK.

Public Benefit Reporting

In setting plans and priorities for areas of work, the Trustees of Age UK have had regard to the guidance from the Charity Commission on the provision of public benefit.

In particular, the Trustees consider how planned activities contribute to meeting the objectives set. How Age UK delivers its principal charitable objectives – as set out in the Memorandum and Articles of Association, and which may be summarised as improving the lives of older people is demonstrated in the social impact statements on pages 11 to 37.

Statement of responsibilities of the Trustees of Age UK in respect of the Trustees' Annual Report (comprising the Strategic report and the Directors' report) and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report (comprising the Strategic report and the Directors' report) and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the Group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and charitable company and of the Group's excess of income over expenditure for that period.

In preparing each of the Group and charitable company financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently and make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Group and the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Trustees are

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

Disclosure of information to auditor

Each of the persons who is a Trustee at the date of approval of this report confirms that, so far as each Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor are aware of that information.

Auditor

In accordance with section 485 of the Companies Act 2006, resolutions proposing the reappointment of KPMG LLP as auditor of Age UK and authorising the Board to set their remuneration will be put to the members at the Annual General Meeting.

Age UK Grant-making policy

Through its grant-giving programme, Age UK supports other local partners in delivering key services and developing them as sustainable organisations. It also supports other local, national and international organisations to further Age UK's strategic objectives to improve the lives of older people.

Age UK's grant programme is funded by Government, external trusts and foundations and each from its own income.

Each application received for grant aid is rigorously assessed by an Allocation Committee from a financial and project activity perspective. All grant recipients are required to submit progress reports (normally quarterly or as defined by the specific programme).

The Allocation Committee for each grant programme is composed of the person with lead management responsibility for the grant programme, together with others with relevant experience or who represent stakeholders.

Most grants are for less than 12 months; where for a longer period of time, a full mid-term review is undertaken.

Please see page 69 for details of grants awarded by the Charity in 2013/14.

Remuneration

Recruiting, retaining and motivating employees is critical to Age UK's sustainability and success. The Age UK Group comprises four employers:

- Age UK – the Charity
- Age UK Services – shared service functions for the whole Group
- Age UK Enterprises – Financial Services and Personal Alarms
- Age UK Trading – Retail, Trading and Training.

Age UK's remuneration policy recognises the differences between its charitable and commercial operations. The organisation uses independent evaluation data provided by Hay to evaluate all salaries. Salaries are benchmarked against charitable, commercial and regulatory sectors. Age UK aims to make best use of resources by ensuring the investment made in recruiting the right people is returned in retention and continuing development.

Age UK operates an annual review process overseen by the Remuneration Committee. Pay awards are based on individual performance and are paid in accordance with a framework set by the Remuneration Committee within the budget set by the Board for the overall increase in the organisation's salary costs. Unite is the recognised Union for some employees within the Group.

Directors' salaries reflect the market in which individual Directors operate and is set using benchmarking data as with other staff. Salaries for those Directors who are responsible for shared service functions, including the Chief Executive, are apportioned between charitable and commercial expenditure to reflect the amount of time the relevant Director spends on supporting charitable or trading activities.

The Remuneration Committee considers the outcome of each Director's performance review and decides on pay awards. More details are shown in Note 8 to the Accounts.

Equality, diversity and inclusion

At Age UK we recognise the importance of promoting equality, valuing diversity and being inclusive. Age UK recognises that every person has different needs, preference and abilities and we strive to reflect this diversity in everything we do. This includes making our services and products inclusive and accessible to older people from all sections of the community.

Equally important is that we respect and value the diversity of our colleagues, volunteers and supporters. By positively valuing these differences and harnessing different life experiences, attributes and contributions, Age UK will be a better place to work. As an employer, Age UK is committed to creating workplaces where each employee is able to fulfil their potential, maximise their contribution and feel comfortable in being themselves.

Age UK's Trustees and Senior Directors are responsible for promoting equality, valuing diversity and leading the development of an inclusive culture across the Age UK Group, for driving and monitoring progress, facilitating the sharing of best practice across Age UK and ensuring that Age UK meets its legal obligations under the Equality Act 2010 and all other relevant legislation.

Age UK's equality, diversity and inclusion programme, Age UK Being Inclusive, focuses on internal policy, organisational culture and practice, to ensure that it is fully aligned with Age UK's external positioning on issues of equality, diversity and inclusion as they affect older people in the general population. Through working on policy, practice, organisational culture and staff engagement, the programme aims to 'bring equality, diversity and inclusion alive' for everyone in Age UK.



Age UK promotes equality and inclusion for all our employees, volunteers and supporters in relation to all the protected characteristics covered by the Equality Act. The Age UK Being Inclusive programme focuses in particular on our practice as an employer in relation to older workers, disabled staff and staff with caring responsibilities.*

In the first year of implementation, an Equality, Diversity and Inclusion Advisory group has been established to direct and guide the development of Age UK Being Inclusive, and a new Equality Diversity and Inclusion policy for the Age UK Group has been produced and disseminated. This programme has also included a series of awareness-raising and engagement sessions on a variety of topics related to equality, diversity and inclusion.

Environment

Age UK is a professional and environmentally conscious organisation that acknowledges the impact that its operations may potentially have on the environment. As part of our commitment to maintaining the highest levels of environmental management, it is our intention to work towards environmental best practice. Our clear objective is to minimise any impact on the environment by:

- Considering the effect that our operations may have on the local and wider community.
- Taking action to eliminate or reduce, as far as practicable, any potentially adverse environmental impacts.
- Promoting environmental awareness among our suppliers, contractors and partners by implementing operational procedures seeking to work in partnership with the community.
- By behaving in a considerate and socially responsible manner.
- Ensuring effective and expedient incident control, investigation and reporting.

The Report of the Trustees, which incorporates the requirements of the Strategic report and the Directors' report as set out in the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013, was approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on 31 July 2014 by:

Dianne Jeffrey CBE DL
Chairman

*We have begun monitoring of our practice and performance in relation to the recruitment and employment of these groups, the continued employment and training of employee who become disabled while in Age UK's employment, and the training, career development and promotion opportunities available to these key groups of staff during their employment with Age UK.

Auditor's report

Independent auditor's report to the members of Age UK.

We have audited the financial statements of Age UK for the year ended 31 March 2014 set out on pages 62 to 88. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 58, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 March 2014 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, which constitutes the Strategic report and the Directors' report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Marianne Fallon (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor



Chartered Accountants
1 Forest Gate, Brighton Road, Crawley RH11 9PT
6 August 2014

Consolidated statement of financial activities

For the year ended 31 March 2014

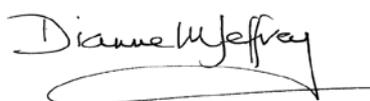
	Note	Unrestricted £'000	Restricted & Endowed £'000	2014 Total £'000	2013 Total Restated £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	31,100	15,078	46,178	43,618
Activities for generating funds					
Retail		46,254	(7)	46,247	44,670
Insurance and other commissions		42,437	–	42,437	37,480
Other trading income	3a	24,624	–	24,624	24,349
Sale of services by joint venture		1,101	–	1,101	1,020
Less share of joint ventures' turnover		(1,101)	–	(1,101)	(1,020)
		113,315	(7)	113,308	106,499
Investment income	4	413	–	413	748
Incoming resources from charitable activities	5	5,364	1,232	6,596	6,975
Other incoming resources					
Gain on disposal of fixed assets		134	–	134	1,057
Total incoming resources		150,326	16,303	166,629	158,897
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	6	(3,862)	(667)	(4,529)	(4,743)
Activities for generating funds					
Retail		(38,409)	–	(38,409)	(37,147)
Insurance and other commissions		(20,458)	–	(20,458)	(20,518)
Other trading costs	3b	(17,309)	–	(17,309)	(18,594)
		(76,176)	–	(76,176)	(76,259)
Investment management costs		(24)	–	(24)	(130)
Total cost of generating funds		(80,062)	(667)	(80,729)	(81,132)
Charitable activities					
Your money		(8,314)	(3,188)	(11,502)	(10,366)
Your wellbeing		(9,842)	(4,940)	(14,782)	(11,351)
Your health & care		(11,756)	(4,252)	(16,008)	(14,497)
Your home		(9,215)	(2,165)	(11,380)	(13,474)
Your community		(22,377)	(2,256)	(24,633)	(28,306)
		(61,504)	(16,801)	(78,305)	(77,994)
Governance costs	7	(622)	–	(622)	(686)
Tax charges	21	–	–	–	(100)
Total resources expended		(142,188)	(17,468)	(159,656)	(159,912)
Net incoming resources before joint ventures and transfers	10	8,138	(1,165)	6,973	(1,015)
Share of operating profit of joint ventures	18	445	–	445	442
Gross transfers between funds	18	940	(940)	–	–
Net income/ (expenditure) for the year before other recognised gains and losses		9,523	(2,105)	7,418	(573)
Revaluation gains and losses on fixed assets	18	2,850	–	2,850	6,923
Gain on investment assets	18	24	98	122	1,815
Actuarial losses on defined benefit pension schemes	18/21	(1,889)	–	(1,889)	(2,384)
Net movement of funds in year		10,508	(2,007)	8,501	5,781
Reconciliation of funds					
Total funds at 1 April		11,790	7,354	19,144	13,363
Total funds at 31 March	18/19	22,298	5,347	27,645	19,144

Balance Sheets

For the year ended 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Fixed assets					
Tangible assets	11	28,821	28,064	25,261	24,033
Investments					
Investments	12	21,387	20,898	21,514	21,024
Investments in joint venture:					
Share of gross assets	12	309	278	–	–
Share of gross liabilities	12	(307)	(89)	–	–
Share of net assets		2	189	–	–
Total fixed assets		50,210	49,151	46,775	45,057
Current assets					
Stock	13	530	543	–	–
Debtors	14	16,890	17,563	24,036	23,926
Cash at bank and in hand		11,724	4,422	7,320	603
Total current assets		29,144	22,528	31,356	24,529
Liabilities					
Creditors: Amounts falling due within one year	15	(24,001)	(22,609)	(25,316)	(25,153)
Net current assets		5,143	(81)	6,040	(624)
Creditors: Amounts falling due after one year	16	(3,561)	(4,435)	(2,467)	(1,217)
Provisions for liabilities and charges	17	(5,588)	(6,369)	(4,663)	(5,490)
Net assets excluding pension liability		46,204	38,266	45,685	37,726
Defined benefit pension scheme liability	20	(18,559)	(19,122)	(18,392)	(18,974)
Net assets including pension liability		27,645	19,144	27,293	18,752
Funds					
Endowment funds	18	2,138	2,040	2,138	2,040
Restricted funds	18	3,209	5,314	3,124	5,289
Endowed and restricted funds		5,347	7,354	5,262	7,329
Fixed asset funds		14,599	16,008	11,945	12,513
General reserve		26,258	14,094	28,478	17,884
Unrestricted funds excluding pension liability	18	40,857	30,912	40,423	30,397
Pension Reserve	20	(18,559)	(19,122)	(18,392)	(18,974)
Total funds		27,645	19,144	27,293	18,752

The financial statements on pages 62 to 88 were approved by the Board of Trustees on 31 July 2014 and signed on its behalf by:



Dianne Jeffrey CBE DL
Chairman

Consolidated cash flow statement

For the year ended 31 March 2014

	Group 2014 £'000	Group 2013 £'000	
Net cash inflow/(outflow) from operating activities	11,921	(10,089)	
Distribution received from joint venture	632	498	
Returns on investment and servicing of finance	413	748	
Investment income and interest received	(24)	(130)	
Investment management costs	-	111	
Investment management costs charged to capital	-	-	
	389	729	
Net cash inflow from returns on investments			
Capital expenditure and financial investment			
Purchase of tangible & intangible fixed assets	(2,373)	(5,185)	
Sale of tangible & intangible fixed assets	1,143	1,606	
Purchase of fixed assets investments	(6,320)	(670)	
Sale of fixed assets investment	5,953	8,206	
Net cash (outflow)/inflow for capital expenditure and financial investment	(1,597)	3,957	
Management of liquid resources and financing			
Repayment of bank loans	-	(247)	
Sale of current asset investments	-	1,067	
Net cash inflow from management of liquid resources and financing	-	820	
Increase/(decrease) in cash in the period	11,345	(4,085)	
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period	11,345	(4,085)	
Cash inflow from decrease in short term/long term debt	-	247	
Movement in net funds in the period	11,345	(3,838)	
Net funds at 1 April	321	4,159	
Net funds at 31 March	11,666	321	
Reconciliation of net incoming/(outgoing) resources to net cash Inflow/(outflow) from operating activities			
Net inflowing/(outgoing) resources	6,973	(1,015)	
Investment income and interest received	(413)	(748)	
Investment management costs	24	130	
Depreciation and amortisation charge	3,457	3,364	
Profit on sale of fixed assets	(134)	(1,057)	
(Increase)/decrease in stocks	13	(197)	
Decrease in debtors	673	4,030	
Increase/(decrease) in creditors, excluding overdrafts and loans	4,561	(9,038)	
Decrease in provisions	(781)	(212)	
Difference between pension charge and cash contribution	(2,452)	(5,346)	
Net cash inflow/(outflow) from operating activities	11,921	(10,089)	
Analysis of changes in net funds			
	Group at 1 April 2013	Cash flows	Group at 31 March 2014
Cash at bank and in hand	4,422	7,302	11,724
Overdrafts and loans due within one year	(4,101)	4,043	(58)
	321	11,345	11,666

Notes to the financial statements

For the year ended 31 March 2014

1 Accounting policies

The Charity is a company limited by guarantee. The members of the company are the Trustees, who are also ordinary members and named on page 89. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

The principal accounting policies are summarised below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments and properties. Investments are included at market value. Properties are included at value in use. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in March 2005, and applicable Accounting Standards.

The Trustees have reviewed Age UK's financial position and considered the impact of future activities, to ensure it is appropriate to produce the accounts on a going concern basis.

In the year the Charity is presenting its charitable activities under five amended headings. These headings (ambitions) are driven by the priorities that people in later life tell us matter to them.

Basis of consolidation

The consolidated accounts of the Group incorporate the accounts of the Charity, its subsidiary undertakings and its share in its joint ventures. Joint ventures are accounted for using the gross equity method of accounting. The Trustees have taken the exemption conferred by S408(3) Companies Act 2006, accordingly the accounts present a consolidated Statement of Financial Activities (SOFA) only. In order to comply with the Charities SORP the gross income and net incoming resources for the Charity for the year to 31 March 2014 are disclosed in Note 18.

Incoming resources

Income is accounted for as the Charity earns the right to its consideration by its performance. All income is derived from services and activities carried out in the UK.

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

- Donations and all other receipts generated from fundraising are reported gross on a receivable basis.
- Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain and quantifiable. For pecuniary legacies this will generally be at the point probate is granted. For residuary legacies this will generally be on the earlier of cash receipt or once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

- Grants receivable, where related to performance and specific deliverables, income is accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, the income is accrued.
- Gifts In Kind, where donated for distribution, these are included at the value to the Charity and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold at the price they are sold.
- Where donated services and facilities are provided they are included at the value to the Charity where they can be quantified. An equivalent item has been recognised in costs. The value placed on them has been the value to the Charity (i.e. the price the Charity would have paid on the open market). No amounts are included in the financial statements for services donated by volunteers.
- Investment income is accounted for when receivable and includes the related tax recoverable.
- Shop sales are accounted for as income on a receipts basis.
- Trading income is accounted for on an invoiced basis. Income from insurance activities is accounted for when the insurance policy is sold or renewed. The upfront payment arising from the sale of emergency alarm products through an Age UK subsidiary (Aid-Call Limited) is accounted on an invoiced basis.
- Sales from Training are accounted for according to when income is received. Where income is received in advance of delivery of the training its recognition is deferred and included in creditors until the contract is performed. Where the income is received after the delivery the income is accounted for on an invoiced basis.

Resources expended

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

- Grants payable are charged in the year when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions are fulfilled.
- Fundraising costs are those incurred in seeking voluntary donations and do not include the costs of disseminating information in support of charitable objectives.
- Governance costs are the costs associated with the running of the Charity, as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. This includes such items as internal and external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

Notes to the financial statements

For the year ended 31 March 2014

- Support costs, which include office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and financing, are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation has been explained in Note 7 to the accounts.
- Where information about the aims, objectives and projects of the Charity is provided in the content of fundraising material, those costs are apportioned to charitable expenditure.
- A percentage of the cost of selling donated goods has been allocated to charitable activities. The percentage allocation is based on the number of hours per week spent by full-time equivalent staff in promoting the Charity's activities.
- Irrecoverable VAT is charged as a cost to the statement of financial activities.

Intangible fixed assets

Development costs are capitalised when they are expected to generate future revenue streams. Such costs are amortised over a period no longer than three years commencing in the year in which sales of the product are first made. Impairments are recognised when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Tangible fixed assets

Tangible fixed assets costing more than £5,000 are capitalised and included at cost including any incidental expenses of acquisition. During the year the accounting policy for property fixed assets was changed from depreciated historic cost to value in use. As a result of this change in policy a revaluation reserve has been created. Depreciation and any impairment is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Freehold land: nil

Freehold and long-leasehold properties: over 40 or 50 years

Gifted housing: over 50 years

Short-leasehold properties: over 5 years

Fixtures and fittings: over a period ranging from 3 to 10 years

Motor vehicles: over 4 years

Computer equipment: over 3 years

Investments

Listed investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Investments in subsidiaries are held at cost less provision for impairment if any.

It is the Charity's policy to keep valuations up to date such that when investments are sold there is no realised gain or loss arising. As a result the SOFA does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the investment portfolio throughout the year. Movements in value arising from investment changes or revaluation and the profit on disposal of investments have been charged or credited to the funds to which they relate.

Investment properties are stated at market value at balance sheet date. The SOFA includes the net gains and losses arising on revaluations throughout the year.

Gifted Housing Scheme

Gifted houses are accounted for as income when donated at market value. A qualified surveyor carries out the valuations. When an individual donates a house to the Charity, the Charity is committed to caring for that individual. An actuarial valuation of the total cost of care for individuals who have gifted their house is made and the sum is included within provision for liabilities and charges. Costs of care are charged to the provision as incurred (Note 17).

Leases

All operating leases and rental expenses are charged to the SOFA on a straight-line basis. In the year the Charity has entered into some finance lease contracts for Vehicles and Equipments. As a result of these lease agreement the Charity has recognised fixed assets that are depreciating in accordance with expected useful economic life for each asset class. The Charity has also recognised a liability, split between creditor due after one year and due within one year in line with the obligations in the finance leases.

Stock

Purchased stock is valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Liquid resources

Included in liquid resources and reported in the Cash flow statement is cash held at bank less any overdraft and loans outstanding.

Pensions

For defined benefit schemes the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the other recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis 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 currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

The Charity makes deficit recovery payments to two closed defined benefits schemes that merged into one sectionalised scheme in October 2012.

For defined contribution schemes the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Charity contributes to a group personal pension plan operated by Zurich which is available to all employees over the age of 18. The assets of the scheme are held separately from those of the Charity. The annual contribution payments are charged to the SOFA.

Funds

Endowment funds

Investment income and gains/losses are allocated to the appropriate fund, all income from endowed funds currently held are accounted for as unrestricted.

Restricted funds

Restricted funds are funds subjects to special conditions imposed by the donor, or with their authority (e.g. through a public appeal) or created through a legal process. The funds are not therefore available for work performed by Age UK other than that specified by the donor.

Unrestricted funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and include:

Fixed asset funds: This fund represents amounts invested in fixed assets used by the charity including gifted houses less the related care provision.

International funds: This fund represents legacies attributable to donors with a history of making donation to the Charity's international activities, but has been received without any restriction. The Charity intend to spend these funds on international activities in recognition that the funds has been received from a donor known to support the Charities international activities.

Revaluation reserve: This fund represent the change in value due to revaluation of property fixed assets, as a result of changing accounting policy from holding properties at depreciated historic costs to value in use.

General reserves: This represents funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Pension reserve

In accordance with FRS17 - Retirement benefits, the liability attributable to the pension schemes as set out in Note 20 is shown as a reduction of total funds. No designation of funds to meet future pension commitments at the balance sheet date is in place as Age UK anticipates that these commitments will be met through future cash flows and this is subject to regular review in conjunction with actuarial valuations and related professional advice.

Notes to the financial statements

For the year ended 31 March 2014

2 Voluntary income

	Unrestricted £'000	Restricted & Endowed £'000	2014 Total £'000	2013 Total £'000
Donations and gifts	10,209	7,820	18,029	16,319
Legacies	20,528	1,527	22,055	20,089
Grants	363	5,731	6,094	7,210
	31,100	15,078	46,178	43,618

An amount of £15,855,000 (2013: £11,223,132) has not been accrued for legacy income because it did not meet the all conditions for recognition. This is a combination of amounts received after the year end and residuary legacies where final estate accounts are not yet received.

3 Other trading income and costs

	Raffles and lotteries £'000	Alarm services £'000	Training £'000	Corporate sponsorship and events £'000	2014 Total £'000	2013 Total £'000
3a Other trading income	8,948	8,009	6,390	1,277	24,624	24,349
3b Other trading costs	(4,789)	(6,445)	(4,702)	(1,373)	(17,309)	(18,594)

4 Investment Income

	Unrestricted £'000	Restricted & Endowed £'000	2014 Total £'000	2013 Total £'000
Dividend income	392	–	392	737
Bank interest receivable	21	–	21	11
	413	–	413	748

5 Charitable Income

	Unrestricted £'000	Restricted & Endowed £'000	2014 Total £'000	2013 Total Restated £'000
Your money	–	157	157	166
Your wellbeing	6	157	163	172
Your health & care	5,212	604	5,816	6,150
Your home	140	157	297	314
Your community	6	157	163	173
	5,364	1,232	6,596	6,975

This relates mainly to income from charitable training and gifted housing.

The Charity is presenting its charitable activities under five revised headings (ambitions).

Notes to the financial statements

For the year ended 31 March 2014

6 Resources Expended

	Activities undertaken directly £'000	Grant funding of activities £'000	Allocation of support costs £'000	2014 Total £'000	2013 Total Restated £'000
Costs of generating funds					
Costs of generating voluntary income					
Donations and gifts	2,261	–	565	2,826	3,508
Legacies	846	–	321	1,167	1,000
Grants	420	–	116	536	235
	3,527	–	1,002	4,529	4,743
Activities for generating funds					
Retail	35,878	–	2,531	38,409	37,147
Insurance and other commissions	19,631	–	827	20,458	20,518
Other trading costs	17,047	–	262	17,309	18,594
	72,556	–	3,620	76,176	76,259
Investment management costs					
	24	–	–	24	130
Charitable activities					
Your money	6,315	3,794	1,393	11,502	10,366
Your wellbeing	9,201	3,793	1,788	14,782	11,351
Your health & care	3,936	10,075	1,997	16,008	14,497
Your home	7,289	3,050	1,041	11,380	13,474
Your community	18,640	3,005	2,988	24,633	28,306
	45,381	23,717	9,207	78,305	77,994
Governance costs	107	–	515	622	686
Tax charges	–	–	–	–	100
Total resources expended	121,595	23,717	14,344	159,656	159,912

The Charity is presenting its charitable activities under five revised headings (ambitions).

Analysis for grants	2014 £'000	2013 £'000
UK Grants		
Research	1,436	1,906
Home Services	1,075	1,613
Wellbeing Services	1,204	1,561
Digital Inclusion	317	20
Engagement	175	109
Information & Advice	743	816
Support of organisations working for people in later life	7,563	5,511
Services Development Programmes	76	282
Total UK grants	12,589	11,818
International Grants		
HelpAge International	4,479	4,119
Sponsor a Grandparent	1,880	185
Disasters Emergencies Committee (DEC)	1,352	1,592
Emergency Appeals	991	254
Other International Projects	2,426	207
Total International Grants	11,128	6,357
Total Grants	23,717	18,175

All grants to HelpAge International were made in sterling and therefore there were no transactions in foreign currencies.

Just under 1,320 grants were awarded to organisations during the year ending 31 March 2014. No grants were made to individuals.

A full list is available on request.

During the year ended 31 March 2014, the Charity awarded grants of £nil (2013: £218,371) for projects to which members of the Research Advisory Council of the Research into Ageing Fund, a fund set up and managed by the Charity, were connected.

These members of the Research Advisory Council did not participate in the decision to award the respective grants.

Notes to the financial statements

For the year ended 31 March 2014

7 Support costs

	Directorate £'000	Finance & legal £'000	Office management £'000	IT £'000	Human resources £'000	Property £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds								
Costs of generating voluntary income								
Donations and gifts	16	202	103	117	103	24	565	583
Legacies	10	115	58	67	58	13	321	331
Grants	3	42	21	24	21	5	116	120
	29	359	182	208	182	42	1,002	1,034
Activities for generating funds								
Retail	113	526	67	362	1,449	14	2,531	2,472
Insurance and other commissions	96	139	125	99	288	80	827	680
Other trading costs	15	68	7	61	102	9	262	492
	224	733	199	522	1,839	103	3,620	3,644
Charitable activities								
Your money	29	299	340	417	255	53	1,393	1,582
Your wellbeing	37	383	436	536	328	68	1,788	2,032
Your health & care	41	428	487	599	366	76	1,997	2,268
Your home	22	223	254	312	190	40	1,041	1,181
Your community	62	641	728	895	548	114	2,988	3,394
	191	1,974	2,245	2,759	1,687	351	9,207	10,457
Governance costs								
	128	387	-	-	-	-	515	309
Total support costs	572	3,453	2,626	3,489	3,708	496	14,344	15,444
2013 Total	954	3,053	3,279	3,878	3,765	515		15,444

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the Charity adopts a policy of allocating costs to the respective cost headings through the year.

The central support costs are allocated as following:

- Directorate – estimated staff time used to calculate weighted percentage.
- Finance – estimated staff time used to calculate weighted percentage.
- Legal – estimated staff time used to calculate weighted percentage.
- Office management – headcount based on each office.
- IT – number of devices used by division.
- Human resources – headcount and estimated time spent on each operational division as appropriate.
- Property – floor space used by each division.

Governance costs are made up of the following:

	2014 £'000	2013 £'000
Internal audit	48	110
External audit	209	189
Trustees' expenses	7	10
Trustees' indemnity insurance	6	6
Trustees' conference and meeting costs	21	19
Apportionment of Directors' costs (based on time spent)	128	174
Company secretariat	203	178
	622	686
Element contained within support costs	515	309
Other governance costs	107	377
	622	686

Notes to the financial statements

For the year ended 31 March 2014

8 Staff costs and staff numbers

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Salaries and wages	43,605	46,023	6,667	8,923
Social security costs	3,615	4,263	691	938
Pension costs	2,636	2,551	529	673
	-----	-----	-----	-----
	49,856	52,837	7,887	10,534
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Total redundancy cost for 2014 was £1,806,986 for the Group (2013: £1,173,186) and £976,955 for the Charity (2013: £689,327).

At 31st March 2014 there are 2,120 staff members in the defined contribution schemes (2013: 1,116 members). 1,121 of these members were auto enrolled in September 2013.

The average number of employees, calculated in a full-time basis, was as follows:

	Group 2014	Group 2013
Retail activities	1,212	1,174
Other trading activities	535	558
Charity	187	241
	-----	-----
	1,934	1,973
	-----	-----

Number of staff receiving remuneration above £60,000	Charitable activities 2014	Commercial activities 2014	Total Group 2014	Total Group 2013
£60,000 – £70,000	8.9	4.1	13	15
£70,001 – £80,000	4.9	10.1	15	12
£80,001 – £90,000	2.0	3.0	5	2
£90,001 – £100,000	1.9	1.1	3	1
£100,001 – £110,000	0.3	0.7	1	3
£110,001 – £120,000	-	3.0	3	2
£120,001 – £130,000	0.5	1.5	2	1
£140,001 – £150,000	-	1.0	1	-
£160,001 – £170,000	-	1.0	1	1
£180,001 – £190,000	0.5	0.5	1	1
	-----	-----	-----	-----
Total banded employees	19.0	26.0	45	38
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There are a number of staff in Age UK who provide support to both the charitable and commercial activities of the Age UK Group. Most of these staff are employed by Age UK Services, a trading subsidiary which exists to provide services to the rest of the Group. The salaries of these staff are recharged to the relevant part of the Group in proportion to the amount of time spent on work to support that part of the Group. Other staff work exclusively for either the charitable or commercial activities of the Group.

The two columns on the right-hand side of the table above, show the total number of staff employed within the Age UK Group whose remuneration was more than £60,000. These columns show that in 2014, the total number of such staff was 45.0 FTE (full-time equivalent), up from 38.0 in 2013.

The two columns on the left-hand side of the table above, give a breakdown of how the time of the 45 FTE staff who received more than £60,000 in 2014, was divided between the charitable and commercial activities of the Group.

The table shows that no-one whose work was exclusively charitable was paid more than £100,000.

Of the 9 FTE staff who were paid more than £100,000, 85% of their time was spent on the commercial activities of the Group, generating profits that were gifted to the charity.

No payments for redundancies or loss of office were made to staff receiving remuneration of over £60,000. No-one received a bonus during the financial year 2013/2014.

Notes to the financial statements

For the year ended 31 March 2014

9 Trustee emoluments

The Trustees and Committee Members receive no remuneration for their services to the Charities.

The aggregated amount of expenses reimbursed to 14 Trustees during the year was £7,160 (2013: £10,404, 15 Trustees).

The nature of Trustees expenses incurred were travel, accommodation and subsistence.

Indemnity insurance is provided for Trustees, premiums paid during the year totalled £6,095 (2013: £6,095).

10 Net income

This is stated after charging:

	2014 £'000	2013 £'000
Depreciation & amortisation of tangible and intangible fixed assets	3,457	3,362
Trustees' indemnity insurance	6	6
Trustees' reimbursed expenses	7	10
Interest payable	145	242
External Auditors' remuneration		
Audit of these financial statements	81	76
Audit of subsidiary companies	120	113
Other services relating to taxation	40	86
All other services	18	7
Operating lease rentals – buildings	8,268	8,676
Operating lease rentals – other	126	109

11 Tangible fixed assets

The Group	Freehold and Long- Leasehold £'000	Gifted Housing £'000	Short Leasehold £'000	Motor Vehicles £'000	Equipment, Fixtures and Fittings £'000	Total £'000
Valuation/Cost						
Balance brought forward	5,437	11,812	16,816	2,428	12,175	48,668
Additions in year	–	475	458	–	1,440	2,373
Disposals in year	–	(332)	(72)	(1,701)	(2,674)	(4,779)
Transfers	1,575	(1,575)	–	–	–	–
Revaluation Gain	2,850	–	–	–	–	2,850
At 31 March 2014	9,862	10,380	17,202	727	10,941	49,112
Depreciation						
Balance brought forward	–	–	(11,860)	(1,625)	(7,119)	(20,604)
Charge for the year	(82)	(153)	(927)	(219)	(2,076)	(3,457)
Disposals in year	–	3	8	1,117	2,642	3,770
Revaluation Gain	–	–	–	–	–	–
At 31 March 2014	(82)	(150)	(12,779)	(727)	(6,553)	(20,291)
Net book value						
At 31 March 2014	9,780	10,230	4,423	–	4,388	28,821
Net book value						
At 31 March 2013	5,438	11,811	4,956	803	5,056	28,064
Historic Net book value						
At 31 March 2014	3,605	6,838	4,424	–	4,388	19,255

Notes to the financial statements

For the year ended 31 March 2014

The Charity	Freehold and Long-Leasehold £'000	Gifted Housing £'000	Short Leasehold £'000	Motor Vehicles £'000	Equipment, Fixtures and Fittings £'000	Total £'000
Valuation/Cost						
Balance brought forward	4,179	11,812	16,591	2,428	4,632	39,642
Additions in year	-	475	456	-	843	1,774
Disposals in year	-	(332)	(72)	(1,701)	(52)	(2,157)
Transfers	1,575	(1,575)	-	-	-	-
Revaluation Gain	2,850	-	-	-	-	2,850
At 31 March 2014	8,604	10,380	16,975	727	5,423	42,109
Depreciation						
Balance brought forward	-	-	(11,734)	(1,626)	(2,249)	(15,609)
Charge for the year	(58)	(153)	(898)	(218)	(1,060)	(2,387)
Disposals in year	-	3	8	1,117	20	1,148
Revaluation Gain	-	-	-	-	-	-
At 31 March 2014	(58)	(150)	(12,624)	(727)	(3,289)	(16,848)
Net book value At 31 March 2014	8,546	10,230	4,351	-	2,134	25,261
Net book value At 31 March 2013	4,180	11,811	4,858	803	2,381	24,033
Historic Net book value At 31 March 2014	3,280	6,838	4,352	-	2,133	16,603

The properties were valued at 31 March 2013 by qualified valuers, Countrywide Chartered Surveyors and Savills Chartered Surveyors.

Depreciation charge for the year for leased assets The Group	Motor Vehicles	Equipment, Fixtures and Fittings	Total
Depreciation charge for the year	6	755	761
Net Book value	-	2,946	2,946

The Charity	Motor Vehicles	Equipment, Fixtures and Fittings	Total
Depreciation charge for the year	6	200	206
Net Book value	-	420	420

The net book value of freehold and long-leasehold properties comprises

Fixed Assets building value	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Freehold interest, including gifted housing	14,636	12,614	13,714	11,669
Long leaseholds	424	433	424	433
	15,060	13,047	14,138	12,102
Fixed Assets land value	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Freehold interest, including gifted housing	4,950	4,202	4,638	3,890

Notes to the financial statements

For the year ended 31 March 2014

Subsidiaries at 31 March 2014

The Group includes the following subsidiary trading companies:

Subsidiary undertaking	Principal activities	Ownership %
Trading subsidiaries:		
Subsidiaries of Age UK		
Age International	To raise funds for, and carry out Age UK's international charitable work	75%
Age UK Trading Ltd	Provision of staff and management of charity shops, and affinity products	100%
Age UK Services Ltd	Supply of services to Age UK	100%
Age Concern Holdings Ltd	Holding company for Age UK trading activities	100%
intune group Ltd	Arrangement of financial services	100%
Charity Flowers Ltd	Receive commission on sale of flowers	100%
Subsidiaries of Age Concern Holdings Ltd		
Age UK Enterprises Ltd	Insurance and other services for older people	100%
Aid-Call Ltd	Personal emergency response systems	100%
Age Concern Financial Solutions Ltd	Provision of equity release products	100%
Subsidiaries of Age UK Enterprises Ltd		
Interest in joint ventures:		
Age Scotland Enterprises Ltd	Trading Age UK Enterprises products in Scotland	50%
Age Ireland Enterprises Ltd	Trading Age UK Enterprises products in Ireland	50%
Non trading subsidiaries:		
Subsidiaries of Age UK		
Age Concern Trust Corporation		100%
Age Concern Enterprises Ltd		100%
Age Concern Partnership Wales Ltd		100%
Age Care and Leisure Services Ltd		100%
Help the Aged		100%
Help the Aged Trading Ltd		100%
Help the Aged Mail Order Ltd		100%
RIA Trading Ltd		100%
Subsidiaries of Age Concern Holding Ltd		
Age Concern Ltd		100%
Age Concern Trading Ltd		100%
Subsidiaries of Age UK Enterprises Ltd		
Age Concern Funeral Services Ltd		100%
Age Concern Insurance Services Ltd		100%
Age Concern Financial Partnerships Ltd		100%
Age Concern Enterprises (Cymru) Ltd		100%
Subsidiaries of intune group Ltd		
intune services Ltd		100%
intune financial services Ltd		100%
Subsidiaries of Help the Aged Mail Order Ltd		
HtA Solutions Ltd		100%
Age UK Holidays		100%

All the subsidiary trading companies gift aid their taxable profits to the Charity. Charity Flowers Limited is registered in Guernsey, all other subsidiaries are registered in England and Wales.

Notes to the financial statements

For the year ended 31 March 2014

13 Stock

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Finished goods and goods for resale	530	543	-	-
	530	543	-	-

14 Debtors

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Trade debtors	9,068	8,004	2,052	923
Amounts due from Group undertakings	-	-	1,526	4,720
Other debtors	2,760	1,499	1,316	914
Gift aid to parent	-	-	15,546	11,413
Prepayments and accrued income	5,062	8,060	3,596	5,956
	16,890	17,563	24,036	23,926

15 Creditors: amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Trade creditors	(6,628)	(5,719)	(4,488)	(3,486)
Amounts due to Group undertakings	(547)	(419)	(11,218)	(9,270)
Tax and social security payable	(2,097)	(1,563)	(1,036)	(1,015)
Bank loan and overdraft	(58)	(4,101)	(40)	(4,101)
Short term grants	(1,131)	(921)	(1,131)	(921)
Other creditors	(596)	(572)	(462)	(303)
Finance leases	(760)	(943)	(49)	(334)
Accruals and deferred income	(12,184)	(8,371)	(6,892)	(5,723)
	(24,001)	(22,609)	(25,316)	(25,153)

Amounts due to group undertakings, includes amounts due to joint ventures of £547,126 (2013: £410,417). The bank loans are secured by a debenture over the assets of Age UK Enterprises Limited, they are payable in quarterly instalments and carry a fixed interest rate of 6.54%.

The movements in deferred income are analysed as follows:

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Deferred income at 1 April	(1,924)	(1,737)	-	-
Amounts released from previous years	1,924	1,737	-	-
Incoming resources deferred in the year	(2,493)	(1,924)	(331)	-
Deferred income at 31 March	(2,493)	(1,924)	(331)	-

Deferred income as at 31 March 2014 is made up of the following: sale of lottery tickets for future draws £1,031,567 (2013: £848,623), prepaid alarm monitoring services £1,001,267 (2013: £965,323), Corporate Donation 'Planning for Later Life Project' £272,049 (2013: £nil), household insurance £75,706 (2013: £56,675), Tenants Rental & Admin fees £59,347 (2013: £nil), 24+ Advanced Learning Loans £29,419 (2013: £nil), Commercial Training Course Income £15,666 (2013: £nil), Corporate Membership Fees £8,083 (2013: £nil).

Notes to the financial statements

For the year ended 31 March 2014

16 Creditors: amounts falling due after one year

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Long term grants	(362)	(724)	(362)	(724)
Interest free loans	(8)	(8)	(8)	(8)
Operating lease incentives	(30)	(55)	(30)	(55)
Finance leases	(1,094)	(1,704)	–	(430)
Rent free period after one year	(2,067)	(1,944)	(2,067)	–
	(3,561)	(4,435)	(2,467)	(1,217)
Creditors due after one year:				
1–2 years	(861)	(3,347)	(861)	(793)
2–5 years	(1,953)	(1,080)	(859)	(416)
Over 5 years	(747)	(8)	(747)	(8)
	(3,561)	(4,435)	(2,467)	(1,217)

Of the total amount of finance leases due after one year, £nil (2013: £623,852) is due within 1-2 years and £1,093,858 (2013: £nil) is due within 2–5 years. The bank loans are secured by a debenture over the assets of the Age UK Enterprises Limited, they are payable in quarterly instalments and carry a fixed interest rate of 6.54%.

17 Provisions for liabilities and charges

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Provisions at 1 April	(6,369)	(6,580)	(5,490)	(6,540)
Utilised in the year	2,365	2,325	2,411	2,285
Charged to statement of financial activities	(1,584)	(2,114)	(1,584)	(1,235)
	(5,588)	(6,369)	(4,663)	(5,490)
Provisions due within one year	(1,476)	(1,155)	(550)	(1,155)
Provisions due more than one year	(4,112)	(5,214)	(4,113)	(4,335)
	(5,588)	(6,369)	(4,663)	(5,490)

The provision for liabilities and charges as at 31 March 2014 is predominantly made up of the following: to cover Age UK's commitment to provide care and property maintenance for beneficiaries who have donated real estate to the Charity £3,917,723 (2013: £4,016,478), to provide for property maintenance and repairs where there is a current obligation £481,085 (2013: £393,525), a commitment made to future grant payments £nil (2013: £38,700), obligations in relation to onerous leases £13,314 (2013: £433,460), insurance policy cancellations and lapses £925,365 (2013: £878,793), provisions in relation to redundancies £nil (2013: £547,739) and partner loans £200,000 (2013: £nil). In the 2014 year end balance there is also other miscellaneous obligations provided for £50,910 (2013: £60,252) mainly made up of obligations in relation to legal fees, retail and will aid gift aid.

Notes to the financial statements

For the year ended 31 March 2014

18 Movement in funds

The Group	31 March 2013	Incoming resources	Outgoing resources	Unrealised gains and losses	Transfers	31 March 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Endowed Funds						
Charity of C E Saunders	874	-	-	46	-	920
Gillingham	963	-	-	44	-	1,007
Miss E Lipson Trust	153	-	-	8	-	161
ACE Legacy Endowment Fund	50	-	-	-	-	50
	2,040	-	-	98	-	2,138
Restricted Funds United Kingdom						
Research	64	1,452	(1,401)	-	(68)	47
Home Services	87	1,420	(1,362)	-	-	145
Well Being Services	1,300	2,121	(1,970)	-	(170)	1,281
Digital Inclusion	212	252	(333)	-	-	131
Engagement	7	255	(236)	-	14	40
Information & Advice	175	942	(1,036)	-	(89)	(8)
Support of organisations working for people in later life	2,204	3,253	(3,898)	-	(138)	1,421
Other	91	44	(72)	-	(100)	(37)
Total United Kingdom	4,140	9,739	(10,308)	-	(551)	3,020
International						
Age International	792	2,653	(2,850)	-	(389)	206
Sponsor a Grandparent	-	1,952	(1,952)	-	-	-
Disasters Emergencies Committee (DEC)	303	1,067	(1,370)	-	-	-
Emergency Appeals	2	825	(838)	-	26	15
Other International Projects	77	67	(150)	-	(26)	(32)
Total International	1,174	6,564	(7,160)	-	(389)	189
Total Restricted Funds	5,314	16,303	(17,468)	-	(940)	3,209
Total Restricted and Endowed Funds	7,354	16,303	(17,468)	98	(940)	5,347
Unrestricted Funds						
Fixed asset funds	16,008	-	-	-	(1,409)	14,599
Gains on investment assets	2,358	-	-	24	(3,160)	(778)
Property revaluation reserve	6,923	-	-	2,850	(206)	9,567
General funds	6,359	82,683	(90,767)	-	19,808	18,083
Joint Venture	189	445	-	-	(632)	2
Non-Charitable Trading funds	(925)	67,643	(50,605)	-	(16,729)	(616)
Unrestricted Funds excluding Pension Liability	30,912	150,771	(141,372)	2,874	(2,328)	40,857
Pension Reserve	(19,122)	-	(816)	(1,889)	3,268	(18,559)
Total Funds	19,144	167,074	(159,656)	1,083	-	27,645

Notes to the financial statements

For the year ended 31 March 2014

Age UK the Charity	31 March 2013	Incoming resources	Outgoing resources	Unrealised gains and losses	Transfers	31 March 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Endowed Funds						
Charity of C E Saunders	874	-	-	46	-	920
Gillingham	963	-	-	44	-	1,007
Miss E Lipson Trust	153	-	-	8	-	161
ACE Legacy Endowment Fund	50	-	-	-	-	50
	2,040	-	-	98	-	2,138
Restricted Funds United Kingdom						
Research	64	1,452	(1,401)	-	(68)	47
Home Services	87	1,405	(1,362)	-	-	130
Well Being Services	1,300	2,116	(1,970)	-	(167)	1,279
Digital Inclusion	212	240	(333)	-	-	119
Engagement	7	255	(236)	-	14	40
Information & Advice	175	854	(1,036)	-	(89)	(96)
Support of organisations working for people in later life	2,204	3,254	(3,898)	-	(139)	1,421
Other	91	34	-	-	(100)	25
Total United Kingdom	4,140	9,610	(10,236)	-	(549)	2,965
International						
Age International	767	362	(305)	-	(644)	180
Sponsor a Grandparent	-	1,952	(72)	-	(1,880)	-
Disasters Emergencies Committee (DEC)	303	1,067	-	-	(1,370)	-
Emergency Appeals	2	826	(76)	-	(752)	-
Other International Projects	77	67	-	-	(165)	(21)
Total International	1,149	4,274	(453)	-	(4,811)	159
Total Restricted Funds	5,289	13,884	(10,689)	-	(5,360)	3,124
Total Restricted and Endowed Funds	7,329	13,884	(10,689)	98	(5,360)	5,262
Unrestricted Funds						
Fixed asset funds	12,513	-	-	-	(568)	11,945
International funds	(1)	-	-	-	1	-
Gains on investment assets	2,358	-	-	24	(3,160)	(778)
Property revaluation reserve	6,038	-	-	2,620	-	8,658
General funds	9,489	84,017	(78,756)	-	5,848	20,598
Unrestricted Funds excluding Pension Liability	30,397	84,017	(78,756)	2,644	2,121	40,423
Pension Reserve	(18,974)	-	(810)	(1,847)	3,239	(18,392)
Total funds	18,752	97,901	(90,255)	895	-	27,293

Notes to the financial statements

For the year ended 31 March 2014

19 Analysis of Group and Charity net assets between funds

The Group	Unrestricted £'000	Restricted and Endowed £'000	2014 Total £'000	2013 Total £'000
Fixed Assets				
Tangible fixed assets	28,821	–	28,821	28,064
Investments	21,389	–	21,389	21,087
Current assets				
Stock	530	–	530	543
Debtors	16,890	–	16,890	17,563
Cash at bank and in hand	6,377	5,347	11,724	4,422
Liabilities				
Current liabilities	(24,001)	–	(24,001)	(22,609)
Long-term liabilities	(3,561)	–	(3,561)	(4,435)
Provisions for liabilities and charges	(5,588)	–	(5,588)	(6,369)
Defined-benefit pension scheme liability	(18,559)	–	(18,559)	(19,122)
	22,298	5,347	27,645	19,144
The Charity				
Fixed Assets				
Tangible fixed assets	25,261	–	25,261	24,033
Investments	21,514	–	21,514	21,024
Current assets				
Stock	–	–	–	–
Debtors	24,036	–	24,036	23,926
Cash at bank and in hand	2,058	5,262	7,320	603
Liabilities				
Current liabilities	(25,316)	–	(25,316)	(25,153)
Long-term liabilities	(2,467)	–	(2,467)	(1,217)
Provisions for liabilities and charges	(4,663)	–	(4,663)	(5,490)
Defined-benefit pension scheme liability	(18,392)	–	(18,392)	(18,974)
	22,031	5,262	27,293	18,752

Notes to the financial statements

For the year ended 31 March 2014

20 Pension schemes

Cost to the Group	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Defined-benefit schemes				
Age Concern Section	250	368	244	361
Help the Aged Section	566	631	566	631
Total defined-benefit schemes cost	816	999	810	992
Defined contribution scheme				
Age UK Pension Plan	2,636	2,551	529	673
Pensions cost	3,367	3,550	1,483	1,665

At the beginning of the year Age UK Group operated two pension schemes; one defined contribution scheme and one defined benefit scheme, both of which are multi-employer schemes.

Apart from the two schemes operated by Age UK, Age UK also hold an interest in The Pension Trust's Growth Plan. The Plan was used for members wishing to pay Additional Voluntary contributions (AVC) under the old Help the Aged defined benefit scheme. The scheme is in deficit and should Age UK withdraw from the scheme, Age UK would be required to pay its share of the deficit. At end of September 2013 Age UK's deficit share was £440,967. A recovery plan has been agreed to eliminate the deficit requiring employers to pay contributions with effect from 1 April 2013. The recovery plan is intended to run for ten years and the deficit contributions payable will increase by 3% each year in April. For the year ending 31 March 2015 Age UK is expected to pay contributions of £31,815.

The defined-contribution scheme

The Age UK Pension Plan is a Group Personal Pension and the amounts charged to the SOFA for the defined contribution scheme are the contributions paid in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. As at 31 March 2014 included in liabilities due within one year there was an amount of £329,593 due to employer and employee pensions contributions, these were paid across to the pension scheme in April 2014. Age UK's staging date for auto enrolment was 1 September 2013 and a new entry level of employee and employer contributions was introduced. Staff are auto enrolled with an employee contribution of 1% with Age UK paying 4% as an employer contribution. The minimum employee contribution level for staff looking to pay more than the auto-enrolment amount is 3%, and in return Age UK contributes 8%. We have encouraged our staff to save for later life by also offering the option to contribute 4% or more and receive an extra 1% from Age UK giving 9% in total from the employer.

The defined-benefit scheme

In October 2012 the two defined-benefit schemes, which were legacy schemes from Age Concern England and Help the Aged, were merged on a sectionalised basis under the Age UK Retirement Benefit Scheme. Both schemes being multi employer schemes and both closed to new entrants and further accruals. The two sections in the scheme are the Age Concern section (AC) and the Help the Aged (HtA) section.

For the year ending 31 March 2015 Age UK expects to pay contributions of £2,347,608, with £1,078,608 in relation to the Age Concern section and £1,269,000 in relation to the Help the Aged section, these contributions include an allowance for administration expenses and Pension Protection Fund levies. The most recent full actuarial valuation for the Age UK Retirement Benefits Scheme is 1 April 2013.

As required by FRS 17 the defined benefit liabilities have been measured using the projected unit method. The tables below state the FRS 17 actuarial assumptions upon which the valuation of the scheme was based. The overall expected return on assets is calculated as the weighted average of the expected returns on each individual class of asset class. The expected return on equities is the sum of inflation, the dividend yield and real economic growth. The return on gilts and bonds is the current market yield on long-term gilts and bonds.

Principal actuarial assumptions at the balance sheet date	2014	2014	2013	2013
	AC %	HtA %	AC %	HtA %
Discount rate	4.50	4.50	4.50	4.50
Rate of increase in salaries	N/A	3.50	N/A	3.30
Rate of increase in payment of pre 2005 pensions	3.50	2.50	3.30	2.30
Rate of increase in payment of post 2005 pensions	2.50	2.50	2.50	2.30
Rate of revaluation of deferred pensions in excess of the GMP	2.50	3.50	2.30	3.30
Inflation assumption (RPI)	3.50	3.50	3.30	3.30
Inflation assumption (CPI)	2.50	2.50	2.30	2.30
Expected returns on scheme assets	5.47	5.64	5.13	4.90

Allowance has been made for all members to exchange 80% of the maximum cash allowance available upon retirement. The mortality assumptions are: S1 Normal base tables projected by year of birth assuming future improvements in line with CMI 2012 core projections with a long-term rate of improvement of 0.5% pa.

Notes to the financial statements

For the year ended 31 March 2014

	2014 AC Years	2014 HtA Years	2013 AC Years	2013 HtA Years
The assumed life expectancies on retirement at age 65				
Retiring Today – Males	86.9	86.9	86.6	86.6
Retiring Today – Females	89.3	89.3	88.9	88.9
Retiring in 20 years – Males	88.3	88.3	87.1	87.1
Retiring in 20 years – Females	90.8	90.8	89.7	89.7
Major categories of plan assets as a percentage of total assets				
The Group	2014 AC %	2014 HtA %	2013 AC %	2013 HtA %
Equities	27.75	28.94	51.37	59.41
Diversified Growth	22.06	29.01	–	–
Gilts/ Fixed-interest Gilts	25.64	25.57	28.13	33.47
Bonds/Fixed-interest Bonds	12.62	12.96	13.97	–
Property	6.59	–	6.34	–
Cash	5.34	3.52	0.19	7.12
	100.00	100.00	100.00	100.00

The figures for the Charity are the same as for the Group and therefore are not shown separately.
None of the scheme's assets are invested in any property or other assets currently used by the Group.

	2014 AC %	2014 HtA %	2013 AC %	2013 HtA %
Expected long-term rates on return on plan assets (per annum)				
The Group	2014 AC %	2014 HtA %	2013 AC %	2013 HtA %
Equities	7.00	7.00	6.50	6.50
Diversified Growth	7.00	7.00	N/A	N/A
Gilts/ Fixed-interest Gilts	3.50	3.50	3.00	3.00
Bonds/Fixed-interest Bonds	4.50	4.50	4.50	4.50
Property	5.50	5.50	5.00	5.00
Cash	3.00	3.00	0.50	0.50
Expected return on scheme assets	5.47	5.64	5.13	4.90

The figures for the Charity are the same as for the Group and therefore are not shown separately.

Change in the fair value of Scheme assets	2014 AC £'000	2014 HtA £'000	2014 Total £'000	2013 AC £'000	2013 HtA £'000	2013 Total £'000
The Group						
Opening fair value of Scheme assets	42,853	46,002	88,855	37,800	41,128	78,928
Remove element of asset related to HAI	–	–	–	–	(3,259)	(3,259)
Expected return on Scheme assets	2,196	2,235	4,431	2,050	2,113	4,163
Actuarial gains/(losses)	224	(411)	(187)	3,141	2,575	5,716
Employer contributions	1,968	1,300	3,268	1,467	4,878	6,345
Benefits paid (including expenses)	(2,047)	(2,098)	(4,145)	(1,605)	(1,433)	(3,038)
Closing fair value of Scheme assets	45,194	47,028	92,222	42,853	46,002	88,855
Present value of scheme liabilities	(53,332)	(57,449)	(110,781)	(50,329)	(57,648)	(107,977)
Deficit in schemes	(8,138)	(10,421)	(18,559)	(7,476)	(11,646)	(19,122)
Net pension liability	(8,138)	(10,421)	(18,559)	(7,476)	(11,646)	(19,122)
Actual return on Scheme assets	2,420	1,824	4,244	5,191	4,688	9,879

Notes to the financial statements

For the year ended 31 March 2014

Change in the fair value of Scheme assets	2014 AC £'000	2014 HtA £'000	2014 Total £'000	2013 AC £'000	2013 HtA £'000	2013 Total £'000
The Charity						
Opening fair value of Scheme assets	42,003	46,002	88,005	37,051	41,128	78,179
Remove element of asset related to HAI	-	-	-	-	(3,259)	(3,259)
Expected return on Scheme assets	2,153	2,235	4,388	2,009	2,113	4,122
Actuarial gains/(losses)	178	(411)	(233)	3,078	2,575	5,653
Employer contributions	1,939	1,300	3,239	1,438	4,878	6,316
Benefits paid (including expenses)	(2,005)	(2,098)	(4,103)	(1,573)	(1,433)	(3,006)
Closing fair value of Scheme assets	44,268	47,028	91,296	42,003	46,002	88,005
Present value of scheme liabilities	(52,239)	(57,449)	(109,688)	(49,331)	(57,648)	(106,979)
Deficit in schemes	(7,971)	(10,421)	(18,392)	(7,328)	(11,646)	(18,974)
Net pension liability	(7,971)	(10,421)	(18,392)	(7,328)	(11,646)	(18,974)
Actual return on Scheme assets	2,331	1,824	4,155	5,087	4,688	9,775

The cumulative amount of actuarial gains and (losses) recognised in the SOFA are as follows:

For the Age Concern England section since 1 April 2006 (£2,618,000) (2013: £238,000)

For the Help the Aged section since 1 May 2003 (£12,369,000) (2013: £(12,860,000))

Change in the present value of the defined-benefit obligation	2014 AC £'000	2014 HtA £'000	2014 Total £'000	2013 AC £'000	2013 HtA £'000	2013 Total £'000
The Group						
Opening defined-benefit obligation	50,329	57,648	107,977	45,291	55,721	101,012
Remove element of deficit in relation to HAI	-	-	-	-	(4,225)	(4,225)
Current service cost	222	248	470	189	200	389
Interest cost	2,224	2,553	4,777	2,229	2,544	4,773
Experience (gain)/loss arising on the scheme liabilities	270	(3,494)	(3,224)	(93)	(84)	(177)
Losses/(gains) on curtailments	-	-	-	-	-	-
Actuarial loss/(gains)	2,334	2,592	4,926	4,318	4,925	9,243
Benefits paid (including expenses)	(2,047)	(2,098)	(4,145)	(1,605)	(1,433)	(3,038)
Liabilities in scheme at end of the year	53,332	57,449	110,781	50,329	57,648	107,977

Change in the present value of the defined-benefit obligation

The Charity

Opening defined-benefit obligation	49,331	57,648	106,979	44,393	55,721	100,114
Remove element of deficit in relation to HAI	-	-	-	-	(4,225)	(4,225)
Current service cost	217	248	465	185	200	385
Interest cost	2,180	2,553	4,733	2,185	2,544	4,729
Experience (gain) / loss arising on the scheme liabilities	230	(3,494)	(3,264)	(91)	(84)	(175)
Actuarial loss/(gains)	2,286	2,592	4,878	4,232	4,925	9,157
Benefits paid (including expenses)	(2,005)	(2,098)	(4,103)	(1,573)	(1,433)	(3,006)
Liabilities in scheme at end of the year	52,239	57,449	109,688	49,331	57,648	106,979

Notes to the financial statements

For the year ended 31 March 2014

The amounts recognised in the Statement of Financial Activities are as follows:	2014 AC £'000	2014 HtA £'000	2014 Total £'000	2013 AC £'000	2013 HtA £'000	2013 Total £'000
The Group						
Current service cost*	222	248	470	189	200	389
Interest on pension scheme liabilities	2,224	2,553	4,777	2,229	2,544	4,773
Expected return on scheme assets	(2,196)	(2,235)	(4,431)	(2,050)	(2,113)	(4,163)
Total	250	566	816	368	631	999
The Charity						
Current service cost*	217	248	465	185	200	385
Interest on pension scheme liabilities	2,180	2,553	4,733	2,185	2,544	4,729
Expected return on scheme assets	(2,153)	(2,235)	(4,388)	(2,009)	(2,113)	(4,122)
Total	244	566	810	361	631	992

* The current service cost included the cost of administration expenses and Pension Protection Fund levies.

Analysis of actuarial loss recognised in the Statement of Financial Activities	2014 AC £'000	2014 HtA £'000	2014 Total £'000	2013 AC £'000	2013 HtA £'000	2013 Total £'000
The Group						
Impact of removal of deficit brought forward in relation to HAI	-	-	-	-	966	966
Actual return less expected return on pension scheme assets	224	(411)	(187)	3,141	2,575	5,716
Experience gain/(loss) arising on the scheme liabilities	(270)	3,494	3,224	93	84	117
Gain/(loss) arising from changes in assumptions underlying the scheme liabilities	(2,334)	(2,592)	(4,926)	(4,318)	(4,925)	(9,243)
Gain/(Loss) recognised in Statement of Financial Activities	(2,380)	491	(1,889)	(1,084)	(1,300)	(2,384)
The Charity						
Impact of removal of deficit brought forward in relation to HAI	-	-	-	-	966	966
Actual return less expected return on pension scheme assets	178	(411)	(233)	3,078	2,575	5,653
Experience gain/(loss) arising on the scheme liabilities	(230)	3,494	3,264	91	84	175
Gain/(loss) arising from changes in assumptions underlying the scheme liabilities	(2,286)	(2,592)	(4,878)	(4,232)	(4,925)	(9,157)
Gain/(Loss) recognised in Statement of Financial Activities	(2,338)	491	(1,847)	(1,063)	(1,300)	(2,363)

Notes to the financial statements

For the year ended 31 March 2014

History of experience gains and losses	2014	2013	2012	2011	2010
AC/ACRBS The Group	£'000	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(53,332)	(50,329)	(45,291)	(41,083)	(43,418)
Fair value of scheme assets	45,194	42,853	37,800	36,166	34,127
(Deficit)/Surplus	(8,138)	(7,476)	(7,491)	(4,917)	(9,291)
Experience adjustment on scheme liabilities	(270)	93	(656)	122	195
Experience adjustments on scheme assets	224	3,141	(464)	886	6,942
AC/ACRBS The Charity	£'000	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(52,239)	(49,331)	(44,393)	(40,268)	(42,548)
Fair value of scheme assets	44,268	42,003	37,051	35,449	33,443
(Deficit)/Surplus	(7,971)	(7,328)	(7,342)	(4,819)	(9,105)
Experience adjustment on scheme liabilities	(230)	91	(643)	110	213
Experience adjustments on scheme assets	178	3,078	(455)	(876)	6,786
HtA/HtSFSS The Group and The Charity					
Present value of scheme liabilities	(57,449)	(57,648)	(55,721)	(51,626)	(53,756)
Fair value of scheme assets	47,028	46,002	41,128	40,662	38,529
(Deficit)/Surplus	(10,421)	(11,646)	(14,593)	(10,964)	(15,227)
Experience adjustment on scheme liabilities	3,494	84	(901)	(358)	237
Experience adjustments on scheme assets	(411)	2,575	(1,813)	(41)	7,132

21 Taxation and charitable status

Age UK is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The Charity's trading subsidiaries pay available profits to the Charity under gift aid. Its charge to corporation tax in the year is nil.

22 Company limited by guarantee

The liability of the members of the Charity is limited by guarantee to £1 each.

Notes to the financial statements

For the year ended 31 March 2014

23 Operating lease commitments

Annual amounts payable in respect of operating lease commitments expiring:

	Land & Buildings 2014 £'000	Other 2014 £'000	Land & Buildings 2013 £'000	Other 2013 £'000
Within one year	247	26	348	3
Within two to five years	2,341	476	2,289	195
After five years	5,263	–	5,279	5
	7,851	502	7,916	203

24 Contingent liabilities and Capital Commitments

Age UK also hold an interest in The Pension Trust's Growth Plan. The Plan was used for members wishing to pay Additional Voluntary contributions (AVC) under the old Help the Aged defined benefit scheme. The scheme is in deficit and should Age UK withdraw from the scheme, Age UK would be required to pay its share of the deficit. At the end of September 2013 Age UK's deficit share was £440,967. A recovery plan has been agreed to eliminate the deficit requiring employers to pay contributions with effect from 1 April 2013. The recovery plan is intended to run for ten years and the deficit contributions payable will increase by 3% each year in April. For the year ending 31 March 2015 Age UK is expected to pay contributions of £31,815.

There were no capital commitments at 31 March 2014 (2013: £nil).

25 Holding company

The ultimate controlling party of Age UK is the Board of Trustees collectively. Details of Age UK Trustees are disclosed on page 89.

26 Related party transactions

Age UK has taken advantage of the exemption given by Financial Reporting Standard 8 from disclosing transactions with members of the same accounting group, this applies where 100% of the voting rights are held within the Group. All members of the Age UK Group are listed in Note 12. Trustee emoluments and transactions are disclosed in Note 9. Age Scotland Enterprises Limited and Age NI Enterprises Limited are joint ventures where 50% of the ownership is held by Age UK Enterprises Limited. During the year following transactions were carried out with Age Scotland Enterprises Limited: All of the income of Age Scotland Enterprises Limited amounting to £1,491,102 (2013: £1,371,364) represents commission which is collected by Age UK Enterprises Limited. At 31 March 2014 an amount of £144,741 (2013: £154,760) was due to Age Scotland Enterprises Limited from Age UK Enterprises Limited. During the year following transactions were carried out with Age NI Enterprises Limited: Age NI Enterprises Limited earned £293,349 (2013: £282,243) of commission from Age UK Enterprises Limited. At 31 March 2014 an amount of £62,037 was due to Age NI Enterprises from Age UK Enterprises Limited (2013: an amount of £27,387 was due to Age UK Enterprises Limited from Age NI Enterprises Limited). There are no other related party transactions.

27 Post balance sheet events

On 9 June 2014 Age UK completed the sale of Astral House, Norbury, London for £2.1 million. As at 31 March 2014 this property is included in freehold and long leasehold under operational fixed assets with a net book value of £1.9 million. Astral House was the former head office for Age Concern England prior to the merger of Age Concern England and Help the Aged on 1 April 2009.

Notes to the financial statements

For the year ended 31 March 2014

28 Subsidiary undertakings

During the year Age UK Group has carried out activities through five wholly owned trading subsidiaries. These five companies' principal activities are detailed below:

Age UK Enterprises Limited: Provide insurance services and other products for older people.

Aid-Call Limited: Provide personal alarm systems for people at risk.

Age UK Trading Limited: Provide Age UK with staffing and management for Age UK's charity shops and the sale of bought in goods.

Also the provision of training courses that are sold either to companies, governmental bodies or general public.

Age UK Services Limited: Provide Age UK with staffing for fundraising activities and supply of support services to Age UK.

intune Group Limited: To arrange financial services of particular relevance to older people.

Age International: To raise funds for and carry out Age UK's international charitable work.

Profit and loss account	Age UK Trading Limited £'000	Age UK Services Limited £'000	Age UK Enterprises Limited £'000	Aid-Call Limited £'000	intune Group Limited £'000	Age International £'000	Other £'000	Total 2014 £'000	Total 2013 £'000
Turnover	33,162	20,093	50,512	8,009	34	11,978	68	123,856	120,585
Expenditure	(30,239)	(18,931)	(38,957)	(6,817)	(28)	(11,976)	(60)	(107,008)	(109,262)
Profit/(loss) for the year	2,923	1,162	11,555	1,192	6	2	8	16,848	11,323
Gift aid to parent	(2,920)	(1,145)	(11,470)	(1,195)	-	-	-	(16,730)	(11,387)
Profit/(loss) retained and transferred to reserves	3	17	85	(3)	6	2	8	118	(64)
Balance Sheet									
Total fixed assets	79	-	1,917	1,999	-	-	651	4,646	5,141
Current assets	5,404	2,987	9,709	1,919	86	37	178	20,320	23,418
Total liabilities	(5,046)	(2,968)	(11,083)	(3,763)	(56)	(9)	(2,367)*	(25,292)	(30,312)
Net assets	437	19	543	155	30	28	(1,538)	(326)	(1,753)

* These liabilities are made up of inter-company debt that has been either written off or fully provided for elsewhere in the Group prior to 1 April 2010.

Notes to the financial statements

For the year ended 31 March 2014

29 Grants receivable

The Charity received the following grants above £5,000 during the year:

Organisation	Project	Grant (£)
Big Lottery Fund – Supporting Change and Impact Fund	Fit as a Fiddle	222,221
Big Lottery Fund – Rethink Good Health	Rethink Good Health	50,000
Big Lottery Fund – Wellbeing Programme	Fit as a Fiddle	1,111,338
Bradbury Foundation	Brand Partner Support	200,000
Cabinet Office – Investment and Contract Readiness Fund	Age UK Local Social Impact Bond Programme	57,940
Cecil and Hilda Lewis Charitable Trust	Unrestricted	15,000
City Bridge Trust	My Home Life	5,433
Comic Relief – Older People’s Programme	Our Rights Our Voices	50,000
Department for Energy and Climate Change	Collective Oil Purchasing	5,085
Department of Health – Health and Social Care Volunteering Fund	Managing Personal Budgets in Later Life	189,316
Department of Health – Strategic Partners Programme	Strategic Partners	199,365
Department of Health – Francis Implementation Team	Preventing and tackling malnutrition among older people	207,974
Department of Health – Social Enterprise Investment Fund	Social Enterprise Investment	209,300
Donald Forrester Trust	The Disconnected Mind	10,000
Edith Murphy Foundation	The Disconnected Mind	30,000
European Union – Life Long Learning Programme – Grundvig	Engaging the Older Old	9,444
Joseph Rowntree Foundation	My Home Life	28,218
Kalliste Foundation	Unrestricted	100,000
Kinsurdy Charitable Trust	Unrestricted	8,700
Masonic Samaritan Fund	Research into Ageing Fund	19,837
Myristica Trust	Unrestricted	5,000
Peacock Charitable Trust	Research into Ageing Fund	9,000
Rosemary Constance Reeve Angel Charitable Trust	Unrestricted	12,745
Rosetrees Trust	Research into Ageing Fund	20,000
Sport England – Inclusive Sport	Inspire and Include	167,696
Technology Strategy Board	Comodal	30,843
Technology Strategy Board	Cobalt	5,337
The Balcombe Charitable Trust	Call in Time	44,000
The Bay Tree Charitable Trust	Call in Time	5,000
The British Geriatrics Society	Research into Ageing Fund	32,333
The Burdett Trust of Nursing	Listening and Learning Project	99,983
The Charles Wolfson Charitable Trust	The Disconnected Mind	25,000
The Cheruby Trust	Unrestricted	5,000
The Doughty Hanson Charitable Trust	Call in Time	5,000
The Exilarch’s Foundation	Website development	150,000
The Foster Wood Foundation	Unrestricted	10,000
The Fulmer Charitable Trust	Call in Time	6,000
The George John and Sheilah Livanos Charitable Trust	The Disconnected Mind	5,000
The Headley Trust	Get Up and Go (Falls Prevention)	30,000
The Kirby Laing Foundation	The Disconnected Mind	50,000
The Lake House Charitable Foundation	The Disconnected Mind	20,000
The PJK Charitable Trust	The Pabulum Project in Norfolk	5,000
The Wolfson Foundation	Brand Partner Support	50,000

Trustees, Officers, Independent Committee Members and Professional Advisers 2013/14

Royal Patron

His Royal Highness the Prince of Wales KG KT GCB

Trustees

	ARC	FRB	RNC	SFC
Dianne Jeffrey CBE DL (Chairman)		✓	✓	✓
Jeremy Greenhalgh (Deputy Chairman)		✓		✓
Timothy Ablett (until 27 May 2013)				
Lucy Bracken (until 27 March 2014)				
John Briers (from 27 March 2014)				
Patrick Cusack (until 20 February 2014)	✓			
Dr Bernadette Fuge		✓		
Timothy Hammond			✓	✓
Chris Hughes		✓	✓	✓
David Hunter	✓			
David Fraser (1 October 2013 until 5 December 2013)				
Glyn Kyle MBE (until 27 March 2014)				
Professor Brendan McCormack (until 27 November 2013)				
Dame Jane Newell DBE	✓		✓	
Michael Vincent (until 20 February 2014)				
Simon Waugh (from 25 September 2013)				✓
Nick Wilkinson (from 5 June 2014)				
Professor John Williams (until 20 February 2014)				
James Wright CBE DL (until 20 September 2013)				

ARC – denotes that the Trustee was a member of the Audit and Risk Committee

FRB – denotes that the Trustee was a member of the Fundraising Board

RNC – denotes that the Trustee was a member of the Remunerations and Nominations Committee

SFC – denotes that the Trustee was a member of the Strategic Finance Committee

Independent Committee Members

	ARC	FRB	RNC	SFC
Kevin Bell		✓		
Graham Berville (from April 2014)	✓			
Andrew Goodsell		✓		
Kumar Muthalagappan		✓		
Hitesh Tailor	✓			
Nick Wilkinson ¹⁸				✓

Principal Officers of Age UK

(as of 31 March 2014)

Tom Wright CBE
Group Chief Executive

Caroline Abrahams
Charity Director

Rajeev Arya
Chief Financial Officer

Caroline Bendelow
People and Performance Director

Pam Creaven
Services Director

Hugh Forde
Managing Director of Retail, Trading and Training

Alan Freeman (until September 2013)
Fundraising Director

Stephanie Harland
Group Affairs Director

Esther Jackson
Group Marketing Director (until November 2013)
Group Marketing and Fundraising Director
(from November 2013)

Michelle Mitchell
Charity Director-General (until September 2013)

Gordon Morris
Managing Director of Age UK Enterprises

Chris Roles
Age International Director

Professional Advisers

Bankers

Barclays Corporate
1 Churchill Place
London E14 5HP

Internal auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP

External auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley RH11 9PT

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Investment managers

Sarasin & Partners LLP
Juxton House
100 St Paul's Churchyard
London EC4M 8BU

Age UK registered office

Tavis House
1-6 Tavistock Square
London WC1H 9NA

ARC – denotes that the Trustee was a member of the Audit and Risk Committee

FRB – denotes that the Trustee was a member of the Fundraising Board

¹⁸ Nick Wilkinson was an Independent Committee Member of the Strategic Finance Committee until he became a Trustee in June 2014.

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