
Helping the older people who need us the most

This is now, that was then

Age UK

Report of Trustees and Annual Accounts 2019/20

Age UK is a charitable company limited by guarantee and registered in England and Wales (registered charity number 1128267 and registered company number 6825798). Registered address: Tavis House, 1–6 Tavistock Square, London WC1H 9NA. Age UK and its subsidiary companies and charities form the Age UK Group, dedicated to helping more people love later life.



We are Age UK

We exist to help the older people who need us.
We're focusing on helping the older people who need us the most.
We can't do it without your help.
It's that simple.
No care. No money. No one to turn to.
A life led by too many older people.
Age UK is here to help.
A friend. A champion. A voice.
In person, in communities.
On the phone. Online.
We are Age UK.

Thank you

Thank you

At Age UK we are only able to make later life better for older people because we act together with others.

We rely on hundreds of thousands of individuals. Those who choose to donate to us, fundraise for us, or remember us in their wills. Those who stand with older people as campaigners, volunteers, employees, or decision-makers. And those who look out for or care for the older people in their lives. Thank you for your generosity, your determination, and your compassion.

We rely on donations from our corporate partners, trusts, foundations and public sector bodies, and the staff who work for them, as well as the skills and expertise they provide in kind. Thank you for your trust, your enthusiasm, and your support. Our funders are listed on pages 95 and 96.

We rely on the Age UK network of local and national partners in the UK and, through Age International, a global network, as well as like-minded organisations up and down the country. Much of what we achieve depends on these partnerships. Thank you for your friendship, your collaboration, and your commitment to our shared purpose.

While this report documents our work in 2019/20, we cannot but reflect on the catastrophic effects the coronavirus pandemic has had on older people's lives, and its consequences for Age UK and its partners in the UK and internationally. The pandemic represents an unprecedented challenge, and we have risen to the occasion.

We are deeply proud of Age UK's staff and volunteers who have shown incredible levels of commitment. Our team has worked tirelessly, consistently achieving the kind of results which usually take months of hard slog in record time.

We have been truly moved by the levels of support we have received in recent months - from large corporate business who stepped in to assist our pandemic response programme, to individuals who were moved to give money to us for the first time.

A special thank you needs to go to those who supported older people in their communities, not least our fantastic local, national and international partners who have been at the forefront of helping older people during the pandemic.

And, of course, we need to thank older people themselves, many of whom have seen their lives turned upside down but have continued to strive to help in any way they can. Your stoicism and compassion is a lesson for us all.

We are facing the biggest test we have ever faced. It's vital that we not only survive, but we adapt, and thrive, to ensure that older people aren't left behind as we enter a new way of living. We're hopeful about the future and proud of all who stand by Age UK and older people.

Thank you from everyone at Age UK.

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This is now: the 2020 pandemic

The situation for older people

This year has been catastrophic for older people. Considerably more older people have died in the UK than in most comparable nations, many of whom might have been saved if we had managed the pandemic as well as we could and probably should have done.

The facts of the pandemic speak for themselves. So far, with the pandemic far from over:

- Over 40,000 people have died from COVID-19 across the UK
- 9 in 10 of those who died were over the age of 65
- More than 1 in 4 had dementia
- 2 in 5 were living in a care home at the time - most of whom will have died without seeing their family again.

Throughout the pandemic the UK's national response has been 'too little, too late'. With care homes especially, we were slow to appreciate the strategic risk, despite the unfolding evidence from abroad; slow to source enough PPE and testing for residents and staff - problems still not entirely resolved; and negligent early in the pandemic in allowing - indeed encouraging - older people to be discharged to care homes from hospitals without knowing whether they had coronavirus or not.

The challenge posed by coronavirus is of course unprecedented; we are learning about the behaviour of the virus as we go along; and we are certainly not alone in the UK in seeing many deaths, especially in care homes. Decision-makers, as well as front line staff, have undoubtedly been confronted with a challenging task - but it has not been enough, especially when set against the very real suffering of older people and their families.

Some older people died painfully and in distress in care homes because NHS support was not forthcoming. Hundreds of thousands of care home residents were cut off from family and friends for months, with particularly disastrous consequences for those with dementia. And unknown numbers of others were subject to blanket 'Do Not Resuscitate' orders, unable to exercise choice over one of the most important decisions any of us will make.

Some of what has happened has been unacceptable and shameful. Worse still, it has sometimes seemed that behind the missteps and poor decisions has been ageism, in the sense of an institutionalised disregard for older people and enormous ignorance about their lives. At a time of national crisis, it is important to have a voice within the corridors of power: older people have not had this, and their needs and interests have sometimes been overlooked. Nationally, there is no Minister for Older People, no cross-cutting unit of officials, no strategy for older people, and no Commissioner either. Experts on old age are almost entirely absent within Government and were not engaged in any of the scientific advisory committees until recently.

It is no real surprise either that so much has gone wrong within the social care system since the pandemic started. It is a vital but chronically neglected and underfunded service on which millions of older people depend. Care workers have generally risen magnificently to the challenge and several hundred lost their lives as a result. However, the system in which they work has been found seriously wanting. This includes, crucially, its accountability to Government and interface with the NHS. The pandemic has revealed just how inadequate our social care system is and now, surely, despite the many economic pressures there has

to be a proper process of refinancing and reform, especially given the suffering and loss older people and care staff have experienced in recent months.

It hasn't been all bad though. The response from the public to the plight of many older people during the pandemic has frequently been magnificent. Communities have rallied round in many places to support older people trapped in their own at home during lockdown with friendship and practical assistance. They have also given very generously to Age UK's Coronavirus Emergency Appeal, enabling us to help many more older people nationally and locally than would otherwise have been possible.

Introduction from our Chair and Chief Executive

The coronavirus pandemic has been devastating for older people and extraordinarily challenging for Age UK. The financial year covered by these accounts was nearly over when the pandemic struck, although there was still a significant impact on the results reported here. The consequences for older people and for our charity are so profound that this report has as much to say about where we and older people are today as it does about the year 2019/20.

That's not in any way to diminish the impact of our work in 2019/20 or the generous donations of over £56 million that made much of it possible. You can read in this report about just some of the many highlights of our pre-pandemic year, some of which, including our joining forces with The Silver Line and improvements to the resilience of the Age UK Advice Line, made our pandemic response far stronger. We spent £63.6 million on charitable activities, an increase on 2018/19 due mainly to the 'We are Undefeatable' campaign funded by Sport England, which we were very proud to run on behalf of the Richmond Group of charities (see page 14).

However, this is now and that was then. While all the pre-pandemic challenges faced by older people still exist today, they are deeper, are more widespread, and for those older people experiencing the most disadvantage are more harmful than perhaps ever before.

This makes our strategic priority, to help more of the older people who need us the most, more important, and more urgent. Last year, we launched our new three-year strategy and it has proved to be a guiding light during these dark times. Our plans for this year have changed and will continue to adapt to respond to the needs of older people and our smaller sized organisation, but our strategy stands strong.

We are, more than ever, focused on the older people who need us the most, and are putting them at front and centre of everything we do. The need is great, and our resources, though very substantial, will be smaller than before - and we expect will remain so for a couple of years at least - so we need to choose wisely how we can have the greatest social impact. We have already expanded some of our national information and advice and wellbeing services, which have experienced unprecedented demand, with peak call volumes to the Age UK Advice Line and The Silver Line Helpline increasing by 88% and 63% respectively.

In response to what older people and our partners across the country were saying to us, we published information on-line and in print which has been read by millions of people, answering the questions they were asking. We have used our considerable influence to seek solutions to the problems that people were raising with us. Throughout the pandemic, we have championed older people with Government and other decision-makers on a whole range of issues from getting PPE to care homes, to providing help with food. We've been particularly active in explaining to MPs what we and our partners were seeing on the ground in their own local areas.

Our network of 130 partners in England, Scotland, Wales, and Northern Ireland have throughout the pandemic been lifelines for older people in their communities. We have been truly humbled by the extraordinary efforts of their staff and volunteers under very difficult circumstances.

Older people, especially those shielding, have seen their links to the world diminished or severed almost completely. Worries about the practical life essentials of food shopping and collecting medication have caused deep distress, compounded by fears about the pandemic and by the loneliness and isolation that the lockdown and shielding has exacerbated.

It's clear to us that local support is needed more than ever, especially given the strain on local health and social care services, but it is under serious threat: for many in our network their income has been hit hard, putting at real risk their enduring presence in communities where they have worked for decades. We have worked with our partners to help them respond to the crisis, both for the older people they serve and as organisations, to help them manage the difficult financial situations in which many now find themselves.

We have been bolder than ever before in asking for the help and support of the great British public, corporate organisations, and other funders. It has been humbling and moving to see the profound generosity with which individuals and organisations have responded.

We set our Age UK Coronavirus Emergency Appeal a highly ambitious target of £10 million, and have been humbled by the response which, at the time of writing, has exceeded that target and stands at £12.2 million. Our very quick realisation that our appeal had captured public attention enabled us distribute funds quickly to help older people who needed front-line support, whether through our national services or through the services provided by our network, which will receive 70% of the final total.

This generosity made it possible for us to be confident and to focus on providing an immediate response to the pandemic. We deliberately ring-fenced our Emergency Coronavirus Appeal fundraising to help us protect front-line services, and we've looked to our own resources to help solve the serious financial challenges that we faced as an organisation.

The enforced closure of our shops during the 15 weeks of lockdown (and to a much lesser extent the cancellation of some fundraising events) has had serious effects on our income, both at the tail end of 2019/20, taking us into a £5.9 million deficit, but much more deeply in 2020/21, leading us to projected deficit of £15 million: this is despite projected savings of £15 million in 2020/21, including 133 shop closures and over 400 redundancies across the Group, about which we deeply regret but which have been unavoidable.

What we can say with absolute certainty is that although Age UK has been changed by the pandemic, as we all have as individuals, we have never been more determined to be there for older people when they need us the most. The clarity of purpose provided by our strategy, our smaller but still substantial resources, and the depth and breadth of need that older people are experiencing right now in a very uncertain future, means we need to be more focused, bold, and to act together more than ever before. These values, like our strategy, have shone brightly during the pandemic and we will see this through and come out stronger.

With thanks and best wishes,

Sir Brian Pomeroy, Chair
Steph Harland, Chief Executive

How we work

Age UK's vision is a world where everyone can love later life. We know it won't be easy getting there, but we believe it's how things should be for people in later life and, with your help, we work every day to make it happen.

We are national

In the UK we help millions of people every year, providing support, companionship and advice to the older people who need our help the most. We are a strong voice, campaigning with and for older people to champion their rights, needs and wishes.

We are local

We work as part of the Age UK network - a partnership of independent charities which includes Age UK; our national partners Age NI, Age Scotland and Age Cymru and six local Age Cymrus; over 130 local Age UKs in England and hundreds of smaller organisations called Age UK Friends and Forums.

We are international

We work with our international subsidiary charity, Age International, to fund programmes in over 30 developing countries. Age International is a member of the HelpAge global network and the Disasters Emergency Committee (DEC).

Acting together with like-minded charities and other organisations enables us to achieve far more for older people. In the UK we do so largely through the Age UK network, and internationally through Age International's membership of the HelpAge global network. We work together with our partners in a range of ways, with grant funding an important part of this. For example, we co-design and deliver charitable programmes (see pages 18, 20, 22 and 23), which Age UK receives funding for and makes grants available for suitable partners to deliver. In 2019/20 we distributed £19.9 million in grants to other organisations (see page 26).

We are focused on six areas of charitable activity

- We campaign and research
- We provide information and advice
- We transform health and care services
- We deliver wellbeing programmes and services
- We support the Age UK network
- We work internationally

We are driven by our values

When we work with older people, each other and our stakeholders, our ambition is that:

- We are focused on what has the most impact on older people.
- We act together to get things done and achieve more.
- We are bold, unafraid to stand up and do what's right.

We are informed by what older people tell us is important to them

We create opportunities for people in later life to have a voice on many strands of Age UK's work - we listen to older people's thoughts on the issues which matter the most to them, we campaign alongside older people and we have sounding boards of older people to be involved in and to inform our policy, service development and fundraising.

Age UK's three-year strategy

Our strategy for 2019-22 is crucial for all of us at Age UK and the older people our charity exists to support. Our focus, more than ever, is on the older people who need us the most. Too many older people are living in poverty or just above the poverty line. Too many find themselves without the care and support they desperately need. Too many have no one to turn to.

- 3 priorities: The things, above all else, we'll work to achieve and will shape everything we do; with the older people who need us the most at front and centre.
- 6 charitable objectives: The changes we'll aim to achieve in each area of work.
- 3 enablers: The foundations that will make achieving our strategy possible.
- 3 values: The characteristics everyone who works and volunteers for us will aim to demonstrate in all we do, and how we'll work with and for older people.

Our three priorities

- **We'll put front and centre the older people who need us the most.**
Many of the older people who need us the most struggle every day and feel they have no one to turn to. Age UK will be here to help. We'll continue to work in the interests of every older person but focus on making the most difference to those who need us most.
- **We'll help local communities through enduring local support**
Age UK will help ensure that local support continues to be there for older people. The Age UK network is unique in how it transforms local lives. But demand has never been so great, while sustainable funding is scarce. We will do more to help our local partners be there for the older people in their communities.
- **We'll boldly ask for help and support**
Age UK will inspire people to stand alongside us so that together we can do more. We work in partnership with supporters, campaigners, volunteers, and like-minded organisations. But we need more people and organisations to donate their money, voice, and time to support our charitable work.

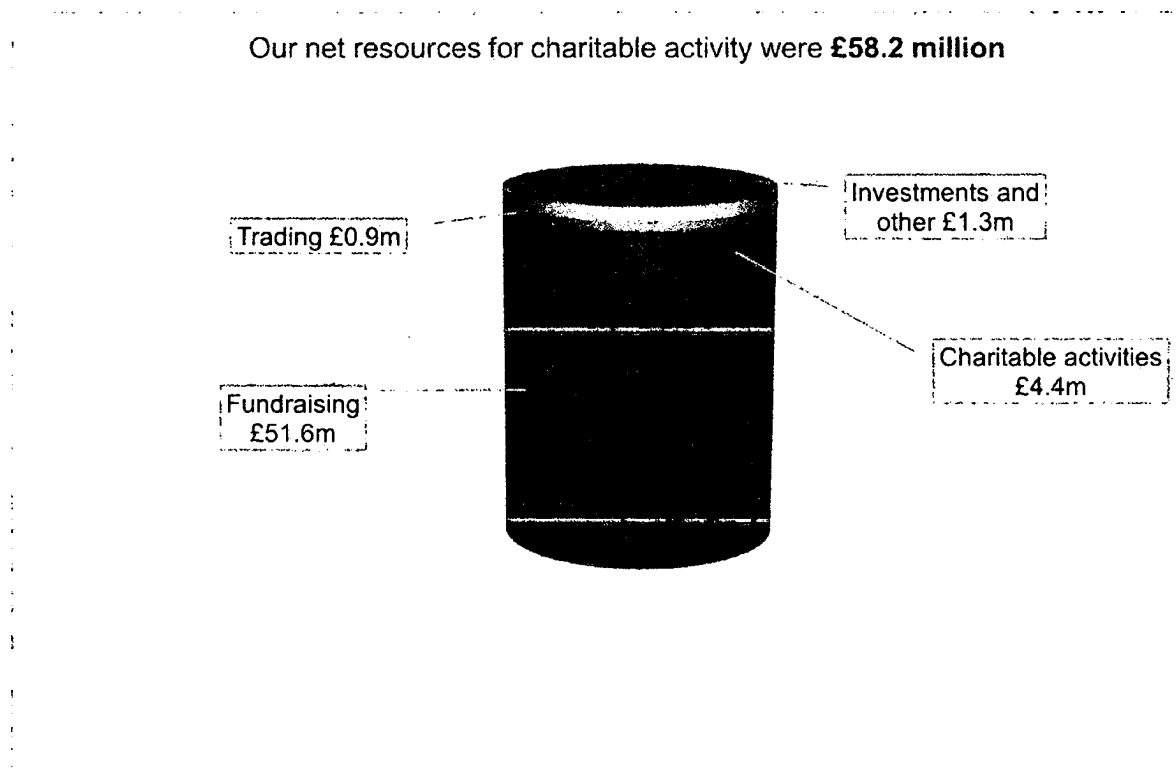
Our six charity objectives

Our charitable objectives span across six areas of activity - campaigning and research, providing information and advice, transforming health and care services, delivering wellbeing programmes, supporting the Age UK network, and working internationally. You can read more about our objectives in these areas and plans on pages 13 to 30.

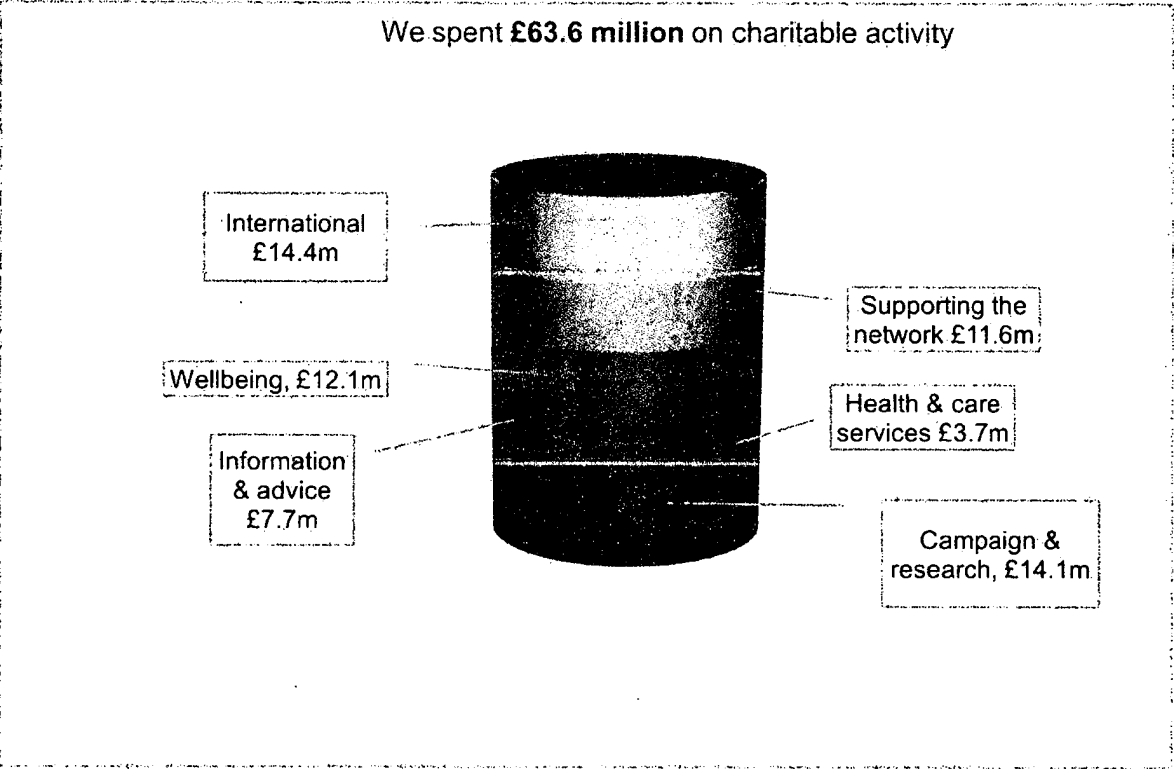
Our three enablers

- **We'll deepen our relationships with our charity audiences.**
We'll develop deeper, two-way relationships so our charity audiences feel valued and engaged and know that their role in helping older people is recognised and celebrated.
- **We'll strengthen our organisational capabilities and diversity.**
We'll focus on strengthening our foundations, ensuring the support provided by our central services (such as IT, finance and HR) is efficient, effective, customer focused, and that we enable all staff to do their jobs well in an inclusive and diverse environment.
- **We'll build incremental and sustainable income growth.**
Across all our income streams, we'll invest in the long-term, sustainable growth needed to do more for older people.

How we raised our money



How we spent our money



We campaign and research

We spent: £14.1 million

Our three-year objective: We'll make the most difference to the most disadvantaged older people through effective campaigning and influencing, underpinned by policy work and research.

It's vital that the voices of older people are heard by those with the power to make decisions that affect them. Our public policy and research expertise, and engagement with older people, coupled with the Age UK network's keen insight into older people's everyday experiences, enable us to explain to politicians and decision-makers the challenges that older people face and possible solutions. We draw on policy and research to underpin our powerful campaigns, through which we raise awareness of the challenges and opportunities for older people and create movements to bring about societal and behavioural change.

This is now: the 2020 pandemic

The research is clear: older people have been medically and societally affected by the pandemic in a disproportionate way. This is especially so for the older people experiencing the most disadvantage before the pandemic - poverty, multiple health conditions, unmet care needs, poor housing, loneliness and isolation - including Black and minority ethnic older people who have suffered the widest and deepest impact because of the disadvantages they face. The care system - not the carers, who deserve far more than applause - failed older people, and many deaths could have been avoided if warnings had been heeded, the right decisions had been made in the interests of older people, and action had been taken sooner.

Throughout the pandemic we have been lobbying the Government on a whole range of issues including getting PPE to care homes and social care providers, financial support for the voluntary sector during the pandemic, a furlough-style scheme to protect at-risk older workers, COVID-19 testing in care homes, providing help with food shopping, safeguarding issues, and digital exclusion. We've worked with over 60 local Age UKs to support them to work with and influence their own MPs and local authorities. We have sent all MPs weekly communications on Age UK's work, along with information about how they can support older people in both their Parliamentary and constituency casework.

That was then: 2019/20

General Election

We used the snap General Election in December 2019 to get older people's voices heard and put their issues firmly back on the list of political priorities. We helped over 11,000 campaigners get their questions to political leaders and more than 300 older people joined our London rally where they shared their views and priorities, with contributions made on housing, social care, climate change, TV licences, the NHS, state pension changes, scams and digital inclusion, amongst other issues. Our research and stories about the experiences of the 'oldest old' who are carers resonated with people, secured over 800 pieces of media coverage, and saw interviews on various news programmes. Our manifesto challenged every political party to set out policies to help our ever-growing older population, especially those in the greatest need. We were pleased that over 100 MPs stood with us and pledged to be Age Champions, joining our call for urgent and significant change, especially to the broken care system.

Switched Off campaign

We kept the pressure on the BBC and the Government to reverse the BBC's decision to scrap the free TV licence for over 75s, except for those receiving Pension Credit. The BBC was forced into this position after the Government made an ill-judged decision to put this long-standing benefit in its hands. Our Switched Off campaign is our most supported campaign ever with over 600,000 people signing our petition, 37,000 writing letters to the Government, supporting statements from celebrities including Dame Helen Mirren, Ben Fogle and Ricky Tomlinson, headlines in every newspaper, and 16 occasions when it was debated or raised as a question in Parliament. In allowing the benefit to be scrapped from 1 August 2020, the Conservative Government has broken its manifesto promise. Campaigning for its reversal remains one of our top priorities. In fact, it's now more crucial than ever: the pandemic means many over 75s have been shielding with TV their only company.

Make Care Fair campaign

Social care remains a crucial issue for older people and our Make Care Fair campaign continued our calls for a new national system that is free at the point of use and available to everyone when they need it. Our Make Care Fair petition called for Boris Johnson to keep to one of his (welcome) early promises as PM to 'fix' social care. The petition has now reached over 100,000 signatures. The pandemic has had a catastrophic impact on social care and on the older people who rely on it, so this issue too remains a top priority.

'If it weren't for Age UK, I really don't know what would happen. The experience I've had with Age UK, I'm very impressed and very grateful. Age UK gave me a chance to put my situation out there. I'm only one, there are millions who are probably in a worse situation than I am. These people are forgotten, particularly the carers. Age UK are there for them. Age UK will do something, they will actually do something about it!'

Joyce

Eorann Lean: Senior Campaigns Manager

What have you heard from older people?

Older people and their families tell me how the broken care system, despite the large cost, is not looking after them or their loved ones. They feel let down by the Government and BBC removing their free over 75 TV licence, and more recently about just how difficult the COVID-19 pandemic has been.

What are you most proud of?

Our wonderful campaign community! We have had such fantastic reactions to our petitions to save free TV licences and fix social care, both gaining large signature numbers (over 600,000 and 100,000 respectively). The whole Age UK network pulled together to raise support. Campaigners have expressed their gratitude to Age UK for standing up for the rights of older people - I'm proud to do my job and amplify older people's voices.

What have you learned?

How wonderful Age UK is! People are working tirelessly for the older people who need us most - staff but also our supporters. This has been especially clear during the COVID-19 crisis when people have thrown everything they've got into making sure older people have access to food, healthcare, friendship, advice and countless other types of support.

We Are Undefeatable

Age UK was pleased to deliver the Sport England-funded 'We Are Undefeatable' campaign on behalf of the Richmond Group of Charities, a collaboration of leading health and social care organisations in the voluntary sector. The campaign aims to encourage the 19 million people in England with one or more long-term health conditions to build physical activity into their daily lives: encouragingly, 57% of the people who were aware of the campaign and

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responded to our survey have taken steps to do so. Our TV, radio and social media campaigns have been seen by 93% of our target audience. Thanks to the campaign's success, Sport England is funding the campaign for a further year to April 2021.

The future: our strategy to 2021 and beyond

The pandemic has made our campaigning work more important than ever - both old campaigns and new. The scrapping of the free TV licence for over 75s will have an even more profound impact on older people who, even if they are no longer shielding (and many are), may have seen their loneliness increase for a whole range of reasons, from the deaths of loved ones and friends, to the closure of social clubs they used to enjoy. The broken care system is even more broken, despite the heroic efforts of carers, support of families, and the fortitude of older people themselves.

The pandemic has exposed and deepened the impact of a whole host of inequalities and, while the long-term effects are yet to be understood, it's clear the consequences are deep and will scar older people, families, friends, and society for a long time to come. The pandemic is, of course, a crisis of an unimaginable and unforeseen scale but older people have fared badly through no fault of their own. Age UK will redouble our efforts to work with older people and make sure their voices are heard and their best interests are protected.

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We provide information and advice

We spent: £7.7 million

Our three-year objective: We'll reach out to older people, their carers, and their families, to support them with the impartial, personalised, and expert information and advice they need.

Providing information and advice sounds simple, but when it's done right it can be life changing. It's the service we're best known for and our research tells us it is both very important to older people and a key service they expect us to deliver. This year the Age UK network reached over 7 million people with our information and advice. Whether online, face-to-face, or on the phone, including through our national Advice Line, we're committed to providing expert, impartial and easy-to-understand support that helps people in very practical ways, from managing money troubles to finding a care home.

This is now: the 2020 pandemic

The pandemic caused a very significant spike in calls to our Advice Line and visits to our website as older people, their families, and friends sought reassurance and clarity about what lockdown and shielding meant for them. There was extra pressure because local face-to-face services couldn't operate or had to be replaced by phone. We received enquiries from very distressed older people who were worried about simple but critical things that were suddenly impossible, from getting food from shops, to accessing essential medication. Older people who were just about managing before with a little help were suddenly struggling, and many older people experiencing the most disadvantage before the pandemic - poverty, multiple health conditions, unmet care needs, loneliness and isolation - were facing potentially life or death situations.

Fortunately, due to the work we'd done earlier in the year, we were able to move our Advice Line quickly and effectively to our advisers' homes without interruption. Keeping the line running was essential at this point where there was exceptionally high demand with over 3,500 extra calls being answered by the Advice Line in March. Visits to our website were unprecedented too, with 1.3 million visitors to our new coronavirus hub and related content from the beginning of March to the end of 'lockdown' at the beginning of July. Although we are getting fewer enquiries now than at the peak of the pandemic, demand remains strong and we are preparing for the possibility of a second wave.

That was then: 2019/20

Reaching older people

Local Age UKs provide information and advice face-to-face and by phone to older people, handling 711,000 enquiries last year. The face-to-face support they provide is especially welcomed by older people who have more complex needs. Our national Advice Line responded to 233,332 telephone and written enquiries, providing two levels of advice; one for people who have simple questions and another where their situation is more complicated. Finally, 6.6 million people visited www.ageuk.org.uk for information and signposting, including 772,869 looking for information about services available close to home through their local Age UK, and we distributed 1.2 million printed fact sheets and guides via our shops, local Age UKs and other community settings, including GP surgeries.

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Marie lives alone, so finds it reassuring to know that the Age UK Advice Line is only a phone call away when she needs information or guidance. She says, "There's nothing better than a friend, and to me, that's what Age UK is: a friend. You just know that there's someone there that you can connect to."

Kerry Mitchell: Lead Adviser, Age UK Advice Line

What have you heard from older people?

Older people are enormously grateful to receive the advice we offer. Care home fees and funding make up a large proportion of our enquiries from older people and on behalf of older people, so we can see how much they appreciate it.

What are you most proud of?

Empowering people to challenge the local authority when their personal budget isn't sufficient to meet their care home fees. We have received some heartfelt thanks from callers who have been successful in their negotiations with the local authority following advice from Age UK.

What have you learned?

I never stop learning, that's what advisers do, we research and learn and pass on knowledge for the benefit of others.

Benefits advice

One of the vital services we offer is to help older people identify the benefits they're entitled to but haven't claimed - a staggering £3 billion of Pension Credit and Housing Benefit goes unclaimed by older people each year. Our online benefits calculator helped over 200,000 people identify benefits they were entitled to, and our local partners helped older people claim nearly £200 million in unclaimed benefits.

Supporting local Age UKs with their information and advice

We make sure all the information and advice provided by the network is of a good standard by offering training to local colleagues. We have previously said that every local Age UK's service must meet our bespoke Information and Advice Quality Programme (IAQP) by 2021. In 2019/20, we helped 108 Age UKs work towards their IAQP assessment. This year, 30 local Age UKs were assessed, with 24 meeting the IAQP criteria, making 72 having attained the IAQP by March 2020. We are adjusting our completion targets for 2020/21 to account for the pause in assessment due to the furloughing of staff at Age UK and local Age UKs, and changes to local services because of coronavirus. Taking that into account, we are on track to meet our completion targets for 2020/21.

Mark Norris: Development Advisor supporting local Age UKs

What have you heard from older people?

Local Age UK managers tell me that their service users have been patient (during the pandemic) and initially very worried about their inability to undertake routine tasks i.e. getting shopping, paying bills over the counter, and getting prescriptions and health appointments.

What are you most proud of?

I am extremely proud of the fact that the profile of the organisation has been raised in such a period of national crisis. It is a credit to everyone associated with Age UK and the brand at every level. I am proud to be a staff member full stop.

What have you learned?

I have learned that both our service users are much more resilient than we might have thought, and the same could be said for some of the smallest local Age UKs who have made significant impact in their localities. I have learned that we still need to grapple with the need for local offices to invest in digital innovation and hope the improvements we are seeing are not just a short term knee jerk reaction (to the pandemic) but a catalyst for change in our delivery of information and advice locally.

We ran the second year of our 3-year Later Life Goals programme, funded thanks to £1 million from the Masonic Charitable Foundation. 12 local Age UKs and one local Age Cymru

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are supporting older people through significant life events such as the loss of a loved one, having a fall, or becoming a carer. As of the end of February 2020, we'd supported 4,590 people, 100% of our cumulative target up until that point. Our analysis suggests that support like this can make a difference to people's feelings of loneliness, particularly for those who were often lonely when we first supported them. 56% of people who were often lonely when we first supported them had reduced their level of loneliness when we followed up with them. We paused the project in mid-March 2020 but we're gearing up to re-start on 1 October.

The future: our strategy to 2021 and beyond

Before the pandemic we were already committed to making sure our information and advice was fit for the future, more seamless across national and local services, and that we provide what our enquirers tell us they need in the way they need it, especially for the older people who need us the most. This year we carried out research with groups of older people, their families, and friends, as well as individual older people, and with local Age UKs, to find out what our callers want from us, how we can improve, and how they make use of the services already on offer. The key themes were: connectivity - using a mix of traditional and digital channels to reach our audiences; identity - ensuring that people identify with Age UK as being somewhere they can turn to for information and advice; and reach - making sure our information and advice reaches the people who need them the most. The pandemic makes this work even more important as it has shown how vital information and advice is to people, especially telephone advice if face-to-face becomes impossible. We are accelerating our work and in 2020/21 will collaborate with local Age UKs to test out new approaches and expand our Advice Line so we can help more older people.

We transform health and care services

We spent: £3.7 million

Our three-year objective: We'll enable older people to have access to high quality, locally available services that address their health and care needs, provided by the Age UK network.

The social care system is broken and it's clear that fundamental change and a lot more public investment is needed. We campaign for change nationally, but also think it's vital that we work to improve how local health and care services are delivered. This is especially so given the crucial role the Age UK network plays as a provider of thousands of services to tens of thousands of older people, but local Age UKs face huge demand while having to compete fiercely for ever-diminishing funding. We help local Age UKs improve the quality of their services, help them expand sustainably, ensure that service design is driven by evidence of what works, and that all services are delivered in a person-centred way.

This is now: the 2020 pandemic

With the lockdown came social distancing guidelines, and many of the vital services provided by local Age UKs were forced to adapt or close, just when they were needed most by older people. We provided support and guidance to the network who, thanks to staff and thousands of volunteers, mobilised immediately to do all that it could to support local communities, from shopping and medication deliveries, to food parcels and befriending.

'I've only been isolated because of coronavirus for a short while, and already I can feel the difference. I don't generally get depressed, but with total isolation, being a carer 24/7 for my husband without any breaks or being able to go out anywhere, I think you could soon get very low. You can feel very alone. If it weren't for Age UK, I really don't know what would happen.' Joyce

As lockdown eased, we provided guidance on how to re-start some services as safely as possible. We were inundated with offers of food, hand sanitiser, soap and other items from manufacturers and suppliers who wanted to help older people. Thanks to their generosity we sent over 400,000 items for use or onward distribution. We were able to secure almost 230,000 PPE items, which included 60,000 items donated to us from NHS England to distribute to local Age UKs that were supporting older people to be discharged from hospital (see below). Our shared Coronavirus Emergency Appeal raised £12.2 million with 70% of the final total going to the local Age UK network to support their front-line services. Read more on page 34. The pandemic is far from over, so while some pre-pandemic personal and group services are re-opening, they need to do so safely. We'll keep providing the Age UK network with the support it needs.

'I can't thank you enough, you've saved my life. I honestly thought that I was going to starve to death and die alone.' James

That was then: 2019/20

Shifting our strategy

Last year we explained that we were shifting our strategy away from our long-standing and successful Person-Centred Integrated Care programme to supporting local Age UKs to directly provide high quality and sustainable services that address their communities' unique health and care needs. Much of our work this year has been on preparing the ground for this in close discussion with local Age UKs across the country. For example, we have been working with over 30 local Age UKs that deliver foot care and day care services to better

understand what older people need from these services, how they are delivered, how quality and sustainability can be improved, and how they can be grown to reach more older people. Similarly, we started to design new service models that are both sustainable and scalable, again to support our ambition to ensure that more older people have access to affordable, high quality services in the future.

'It means a lot to me to be doing this for Age UK - they do brilliant work and they've supported me so much in everything I've done.' John

Dementia services

Following the success of our Dementia Maintenance Cognitive Stimulation Therapy (MCST) pilot, we are exploring how it can be rolled out across the Age UK network. This forms part of a bigger ambition to develop and deliver a network-wide shared dementia strategy to strengthen, improve and increase awareness of the dementia services provided by local Age UKs.

Ensuring high quality

Our work on quality has continued, particularly for services run by local Age UKs that are regulated by the Care Quality Commission (CQC) and is now being expanded into every type of service, regulated or not. 87.5% of local Age UK's regulated services have been awarded a good or outstanding rating by the CQC. This year's Good Age UK self-assessment, part of our on-going Age UK Quality Standards, focused on 'building valued relationships' and saw local Age UKs identify and share what they were doing to ensure their customers, clients and people who use their services, have a good experience. We also developed and piloted with five local Age UKs a new services quality assurance framework to help them measure in real-time their service quality and address any problems quickly. This will feed into the Age UK Quality Assurance Framework that is in development.

Easing winter pressures

We were again pleased to be invited by NHS England (NHSE), alongside the British Red Cross and St John's Ambulance, to help ease the pressure on hospital beds during the extremely busy winter months and provide better outcomes for older patients by supporting them when they got home. We targeted our support to the most under-pressure trusts across the country, many of which are in more deprived areas. Thanks to over £800,000 in funding from NHSE, 17 local Age UKs helped 3,829 older people. Because we were already mobilised to provide this support, we were well placed to increase capacity to respond to the pandemic, providing extra vehicles in some areas and scaling up food and meal delivery, wellbeing support, and befriending calls.

Lauren Chalk: Project Manager

What have you heard from older people?

They really appreciate the service and support that local Age UKs provide. They value the interaction with staff and volunteers, who with their friendly manner and ongoing support, help facilitate the hospital discharge process as well as mitigate re-admissions to hospital.

What are you most proud of?

Being part of a team that secured funding to enable our local Age UKs to continue delivering their invaluable services throughout the pandemic. The services focused on hospital discharge, which includes transport services and practical support within the home, at a time when older people needed us the most.

What have you learned?

That even the smallest of interventions can have a huge impact on an individual. What may seem like a minor thing, can have a major impact on the daily lives of older people.

The future: our strategy to 2021 and beyond

The pandemic has changed the landscape of the services provided by local Age UKs and, as we explain in 'supporting the network', the financial consequences of the lockdown have put under serious threat some pre-pandemic services and, in the worst cases, local Age UK charities. This could be devastating for local communities at a time when these services are most needed, and we are doing what we can to help them find funding sources and improve their viability. While the long-term effects remain unknown, in the short-term we will continue to support local Age UKs to adapt their services to re-open them safely and sustainably, while maintaining the high quality, strong safeguards, and person-centredness that the older people who use their services expect. We will share what we've learned during the pandemic to support recovery, improve the targeting of services to the older people who most need help, and encourage more collaboration. Alongside our on-going network development discussion about our shared future, we will continue to design and test new service models and make best use of the technology our new infrastructure programme aims to deliver (see page 26).

We deliver wellbeing programmes and services

We spent: £12.1 million

Our three-year objective: We'll deliver wellbeing programmes that have a big impact on wellbeing and provide long-term benefit to the Age UK network's services.

Our research tells us how much of a difference being happy and healthy makes to older people's lives and almost everything local Age UKs do helps to improve wellbeing in one way or another, including tackling loneliness and isolation by bringing people together. Corporate and public sector organisations are always on the lookout for opportunities to make a difference to local communities and we bring them together with the Age UK network to do so. Nationally, Age UK runs Call in Time, our telephone friendship service, which matches older people with volunteer befrienders.

'Call in Time is really nice. I look forward to the call every week. I organise my dinner around it so we can have a good chat. I do look forward to it. I'd very much recommend Call in Time to other people. It's another lifeline really. It would have been a lot harder if Age UK and Call in Time wasn't around.' Ted

This is now: the 2020 pandemic

The pandemic has profoundly affected the wellbeing of many older people, as it has for all of us. But it has taken an extra toll on the mental and physical wellbeing of many older people, with loneliness and isolation widespread - especially for those who have had to shield inside away from friends and family. And while the end of shielding and lockdown easing provides relief for some, many more are anxious about how to keep safe. Some of our wellbeing programmes had to be suspended because they relied on face-to-face support and we are working to re-start them in the autumn.

The Silver Line, which recently joined Age UK as a subsidiary, has been a lifeline for thousands of older people. Their callers were lonely and anxious before the pandemic, lockdown, and shielding but are now more unsure of the world and overwhelmed by what's happening; worried about dying alone, worried about empty shelves; and worried about asking for help. At their peak, the number of people calling the helpline went up by 63% to 1,899 calls in one day. As with the Age UK Advice Line, we supported our staff to work from home so they could continue this vital service. The Silver Line's, and Age UK's, telephone befriending services have also experienced unprecedented demand, with a 289% surge in the number of friendship requests. In total, by the end of August 2020, we're now supporting 2,948 friendships supported by 2,842 volunteers. No matter what comes next, our incredible staff and volunteers will be there to provide emotional support and friendship.

'My calls with my befriender, Ellie have been so helpful. On one phone call with her, I mentioned that I'd pretty much run out of everything. She sorted things out with Age UK and I've now got food delivery arranged. I got my first delivery last week. It made me feel so happy. I would have starved to death without it.' James

That was then: 2019/20

Joining Forces

In 2017, we launched Joining Forces in partnership with SSAFA, the Armed Forces charity. Joining Forces has been made possible thanks to a three-year grant from the Aged Veterans Fund, funded by the Chancellor using LIBOR funds. Running until 2020, Joining Forces funded projects in 12 communities to improve the quality of life and wellbeing of older veterans. 16 local Age UKs (four of which worked in a consortium) provided a range of services such as benefits advice, lunch clubs, and day trips, and connected older veterans with SSAFA services, including assistance with mobility needs, and financial support such as access to domestic appliances. We reached 62,146 older veterans and 49,910 family and carers over 3 years, 138% and 438 % (respectively) above our original targets of 45,000 (veterans) and 11,400 (family and carers). Our research has shown that participants' mental health, wellbeing, and overall quality of life have improved in a small but significant way.

One Digital

Age UK is part of the One Digital partnership alongside Digital Unite, Citizens Online, SCVO and Clarion Futures. Funded by the Big Lottery Fund, One Digital is an innovative partnership that helps people make the most from being online. Age UK is supporting older people in areas where there is high digital exclusion to get online or develop their basic digital skills with help from Digital Champions, local volunteers trained to provide one-to-one support. Many of the older people use the skills they learn to: keep in touch with people through messaging tools, social media, and video calling; do online shopping; and pursue hobbies online. In recognition of its success, One Digital won the Digital Skills Award at the Connected Britain Awards 2019. This year, seven local Age UK partners supported 872 older people and recruited 100 Digital Champions.

No Place like home

We are committed to reaching older people who may not know how Age UK can help them, some of whom will need our help the most. This year we launched a new pilot project funded by Santander called No Place Like Home. No Place Like Home supported 118 older people who were homeless or threatened with homelessness, a growing but often hidden issue for older people - 46% of participants had no previous contact with Age UK. We funded four local Age UKs to provide in-depth advice on housing options, rights, entitlements to adaptations and repairs, as well as support to maximise people's income. Our partners also ran group sessions for 292 people to raise awareness of financial and other support to make home improvements. The pilot ended early because the pandemic meant we couldn't continue visiting people's homes, but we learned a lot in a short time and are looking at when and how we can re-start later this year.

Winter warmth programmes

Our winter warmth programmes supported 18,887 older people this year. Over 80 local Age UKs and Age Cymru partners visited 3,857 homes to carry out energy checks and 24,436 benefit checks, identifying £45.3 million in unclaimed benefits. It is the ninth year of our Warm Homes programme with E.ON, Age UK's longest strategic corporate partnership which has helped over 135,000 older people in total. We were delighted when the partnership won the Charity Partnership, Utilities and Services Award at the 2020 Third Sector Business Awards.

Nazahah Jannah: Project Manager

What have you heard from older people?

Older people inform us that the additional income they've received through benefits identified, has been life changing for them, including paying for fuel bills, covering the cost of a taxi to go to their doctor's appointment, and enjoying hobbies, such as theatre experiences.

What are you most proud of?

I am proud to be project managing the Warm Homes programme. In 2019/20, the programme had two new funders come on board, which meant more vulnerable older people supported. It's a great achievement that we were able to prove to the new funders that we can deliver the project and meet all targets within the agreed timeframe. Our passion and dedication to help older people have really impressed our funders!

What have you learned?

Whilst working for Age UK, I have learned that teamwork is extremely important and valuable. We have a great team spirit, which I am grateful for. If there is something that I may be unsure about or don't know the answer to, I discuss it with my team or ask for help, it makes me feel confident about what I'm doing and less stressed about my job!

The Silver Line

On 1 October 2019, The Silver Line joined the Age UK family as a subsidiary. The Silver Line is best known for its 24/7 helpline which provides emotional support for lonely and isolated older people, and for its telephone friendship services which, like Age UK's Call in Time service, matches older people with volunteer telephone befrienders. From October 2019 to March 2020, the Silver Line Helpline answered 109,086 calls. We worked to integrate the best elements of Age UK's and The Silver Line's telephone friendship services, and the systems we use to deliver them, which in 2019/20 supported over 90,000 Friendship calls between volunteers and older people.

The future: our strategy to 2021 and beyond

With the pandemic shutting some of our wellbeing programmes, we've been planning how to get them running again in a way that is safe for older people, staff and volunteers, while continuing to provide the support older people want and need, especially those who need us the most. This is even more crucial as we approach the winter months, where the short days, long nights, cold and wet, can have a serious effect on older people's mental and physical health even at the best of times, which these of course are not. In the short-term, our programmes that relied upon visiting older people's homes will become phone-based from the autumn. We are also exploring the delivery of services online where this is possible and hope to test online group activities. Linked to this, we're piloting a new approach to digital inclusion, providing support through posted hard copy materials and by telephone, rather than the face-to-face work of the past. We've had some excellent feedback from older people who have received tailored activity packs through the post from local Age UKs and other organisations and are looking to see if we can build on this to provide a variety of creative activities. Thanks to specific funding for The Silver Line Helpline as part of our Emergency Coronavirus Appeal, we will have developed and launched a new volunteer opportunity that will enable us to answer more helpline calls and we will continue to grow our telephone friendships services to support more older people.

We support the Age UK network

We spent: £11.6 million

Our three-year objective: We'll secure a strong and enduring local presence of Age UKs and other community organisations to deliver the support and opportunities that local older people need.

The Age UK network consists of Age UK, together with three national charities, Age Scotland, Age NI and Age Cymru, and over 130 local partners (local Age UKs and local Age Cymrus). The Age England Association (AEA) is the membership body for local Age UKs in England and helps us work together to achieve more for older people. You can read more about how we work together as a network on page 9.

Our partners are at the heart of their communities. They deliver wellbeing programmes, are a vital provider of community services that meet local needs, and are a voice for older people, campaigning for change locally and nationally. This makes our network of local and national partners very precious to older people and to us. As well as the activity described in the rest of this report, we work with the Age UK network to help our partners ensure their organisations are well-governed and well-run, offer practical support such as marketing, website hosting and development, an HR line, provide funding, and help them raise income themselves through tender support and fundraising.

This is now: the 2020 pandemic

The Age UK network mobilised immediately to respond to older people's needs during the crisis, quickly adapting their services and introducing new ways to support people. You can read more about just some of what they did on page 19. Given the immensity of the pandemic's impact on older people, the imperative to respond was never in question. But the sobering reality is that the pandemic has affected our partners' finances, in some cases, very seriously: forcing service closures, staff redundancies, and in a few cases already, the closing of local Age UK doors for good. While the easing of lockdown means that charity shops can re-open and some services can re-start, income remains a significant challenge for many, threatening their long-term viability. Age UK's Emergency Coronavirus Appeal raised £12.2 million and we will give out 70% of that total to the Age UK network to support their front-line services for older people affected by the pandemic, with the latest tranche linked to the number of older people in regions and deprivation levels to make sure the services it funds reach the older people most in need.

Throughout the pandemic, we've been working with the network to help them respond. We offered resources, information, and guidance on our digital coronavirus hub; provided in-depth bespoke support including financial assessments, guidance on closing and re-opening day centres and shops safely; and ran a series of virtual events to support the restarting of services. While short-term success is vital, so too is an enduring presence of local support for older people, so we've re-started our work on co-creating a 10-year shared strategy that has our beneficiaries at its heart.

The coronavirus pandemic compounded the financial challenges faces by our local Age UK subsidiary, Age UK Suffolk, which became part of the Age UK Group in 2017 due to the financial difficulties it faced at that time. We had hoped to return the charity to a sustainable and independent future. However, despite financial support, help from teams across Age UK, and determination by the Age UK Suffolk team, its struggles continued and the closure of its services due to the pandemic left it unable to continue without more financial support from Age UK. Given the challenges we find ourselves in, we were unable to make the investment needed. Age UK Suffolk sadly closed on 24 July 2020. We would

like to thank the staff and volunteers at Age UK Suffolk for all they have done for older people in the county.

That was then: 2019/20

Funding the Age UK network

In 2019/20, the Age UK network received £12.1 million in funding from Age UK. This included a payment made to every member of the Age UK network (called the Partner Payment to local Age UKs in England, with separate payments made to our national partners), grants to specific partners to fund programmes, service improvements and organisational support, and commission earned by local partner Trading Alliance Members (TAMs) that offered Age Co financial services and independent living solutions for sale. See page 39 about the closure of the TAM network on 31 January 2020. The £11.6 million we spent in 'Support the network' includes £5.8 million in payments and grant funding (including £1.2 million in sustainability and transition grants to TAM-owning charities), £2.6 million in TAM commission for 1 April 2019 - 31 January 2020, plus the cost of support provided by Age UK teams for the activity in this area. Grant funding for information and advice, health and care services and wellbeing programmes is included in the total cost of each area and is detailed in note 27 to the accounts on page 93.

Financial advice and support

We held our annual Financial Governance Conference, attended by 80 Chief Officers, Finance Directors and trustees of local Age UKs, to discuss and provide support to address some of the biggest challenges facing charities including building financial resilience, understanding business models, building reserves, managing income pipelines, income diversification, and leading change. Separately, we ran two workshops for partners in the South East and South West on improving financial governance, management information, and systems, and provided in-depth financial management support to 61 partners. In total, we helped 95 local Age UKs this year to manage their finances.

Supporting mergers and collaboration

We supported 8 local Age UKs and Age Cymrus with their mergers and shared what we learned from these mergers to help partners considering a merger understand the key considerations and issues, alongside practical tools to help decision-making at each stage of the process.

Infrastructure programme

Over the last few years, we've been doing some exploratory work with small groups of partners to review the systems and processes they use to run their organisations and services and see if they can be more efficient, effective or operated at a lower cost. We will scale-up this work next year.

The future: our strategy to 2021 and beyond

Together with the Age England Association, the membership association for the Age UK network, we launched 'The Big Conversation' in January 2019 to develop a shared vision and strategy for the whole network for the next decade. Over 300 senior staff and trustees came together at nine events to discuss our common purpose and ambitions for older people for the next 10 years. We were making strong progress, with broad consensus reached on our purpose and ambitions, and then the pandemic hit. Rather than proceed with the next phase, making our ambitions a reality - we pressed pause, recognising that we all needed to focus our attention and efforts on helping older people through the pandemic. However, when the scale and duration of the pandemic became clear we realised that the network's long-term support for older people was under threat. We have re-started and hope to accelerate our discussions, within a radically changed operating environment where our

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social impact and future success are perhaps more important than ever. In 2020/21 we will continue these urgent discussions about the development of our network and, separately but relatedly, the effective and efficient infrastructure we need to deliver our ambitions.

We work internationally

We spent: £14.4 million

Our three-year objective: We'll achieve a step change in the quality and scale of our humanitarian work, and we'll influence other agencies to ensure that older people are included and protected when emergencies happen.

Age International, Age UK's international charity, focuses on the needs and rights of older people in some of the world's poorest countries. We believe it's important that older people around the world aren't left behind. The world's population is growing older. There will soon be more older people than younger people on the planet. This change is unprecedented and governments around the world are failing to adequately respond to the challenges and opportunities it brings. Fundamental change is needed, especially in areas such as health care and social protection for older people. However, few governments and institutions seem to understand the effects of ageing on older people, or the wider ramifications on economies, labour markets, migration, social welfare or healthcare - and in emergencies, including natural disasters and the impact of war, the needs of older people are too often ignored.

This is now: the 2020 pandemic

The coronavirus is a global pandemic. In low-and-middle income countries, health systems are weak and, as we know, older people with pre-existing conditions are most at risk of getting COVID-19. In some countries, older people don't have a safe place to go if the virus reaches them. We have been particularly worried that the virus will take hold in refugee camps in war-torn Syria or where Rohingya refugees have had to flee their homes, places where cramped conditions make social distancing impossible and where maintaining good hygiene is a real challenge. We worked closely with the UK Government to influence their international response, ensuring that they understood why older people are more at risk and how their needs should be accounted for.

By the beginning of April, we had quickly adapted most of our programmes to respond to the new needs created by COVID-19. One of the first places where we started working was north west Syria, providing prevention training to outreach health workers and raising public awareness with a population already displaced by conflict, to help people better prepare for the virus. We have been supporting work in 30 countries with the most marginalised older people and those with disabilities. In some countries we are providing hygiene kits; soap, disinfectant, gloves and masks; in others, we are raising awareness through public messaging tailored for older people; and elsewhere we are training frontline staff and volunteers so they can deliver the best support possible, working alongside expert medical teams and carers. Between March 2020 and June 2020, we reached over 30,000 older people with direct, practical support and many thousands more through radio with awareness raising messages.

That was then: 2019/20

Responding to disasters and emergencies

In recent years we have been very active in the aftermath of natural disasters, providing aid and assistance to hundreds of thousands of people older who lost their homes and livelihoods. In 2019/20, our work meant that 183,000 older people (63 percent of whom were women) in 30 countries were given humanitarian aid (water, food, shelter, healthcare, and emotional support) during emergencies.

Cyclone Idai

In March 2019, Cyclone Idai, one of the worst tropical cyclones on record devastated Malawi, Mozambique, and Zimbabwe, three already poor African countries. We immediately launched an appeal with the Disaster Emergency Committee (DEC), and the funding enabled us to deliver clean water, food, clothes, and hygiene kits to over 31,000 older people. Mobile medical teams provided vital health and care support by deploying nurses, social workers, and trained volunteers to meet the needs of older people affected by the disaster but who couldn't travel to aid points.

With our partner HelpAge, we set up nine water purification stations, producing 12,000 litres of clean water per day, essential to combat cholera outbreaks. Since then, we've been helping older people in Malawi, Mozambique, and Zimbabwe rebuild their lives, supporting communities by distributing seeds to enable older people to resume farming to have a steady source of income and food.

Saara Rashid: Programme development and funding officer - Africa region

What have you heard from older people?

The first time I was able to visit a project was hugely memorable. It was in Mozambique, six months after Cyclone Idai devastated a large part of the country. I had the opportunity to meet with older people in Beira who had received support from Age International and our partners. Many older people mentioned how vital the support of the outreach teams was in addressing health concerns as well as their mental health needs.

What are you most proud of?

Whilst in Mozambique, I visited the Nhangau Older People's Centre in Beira which houses about 100 older people. It had been without power for a month after the cyclone hit. As part of the response, our partner on the ground was able to provide a generator to the centre. This also meant that the water supply was re-established. It was amazing to see how a simple activity like that was able to improve the lives of so many older people.

What have you learned?

One important thing I have learned, which is also at the core of our work is the importance of seeing older people as an asset to their families and communities. In so many of the communities we work in, across the world, older people make huge contributions to their families and communities, which often go unrecognised.

Helping to rebuild lives

When Cyclone Idai hit 67-year-old Damarencia's home and her community, everyone lost their crops. Damarencia and her grandchildren relied on these crops for their survival. Damarencia says that hope came back when she heard Age International were distributing seed kits for older people affected by the cyclone.

'After I received my kit of seeds, I started preparing my field where I used to grow rice. Thanks for the support. Now I can feed my grandchildren and sell the surplus to buy other things.' Damarencia

Working in Tanzania

Burundian refugees and asylum seekers have fled conflict and travelled hundreds of miles to safety in Kibondo, Tanzania. Some refugees have been there for five years but it's still not safe to return home. Age International has been supporting work in Nduta camp and other locations in Tanzania since 2015, assisting those most in need - older people, disabled people, and people with chronic health conditions. We focus on giving access to physical rehabilitation, supplying mobile aids, such as walking sticks and wheelchairs, and providing psychosocial support. We work alongside other organisations based in the camp to ensure that older peoples' voices are heard, and their needs met.

Case study: Five years as a refugee and still not safe to go home

Ngurubzira, a 72-year-old woman who has been living at the camp since 2015. She has no family at the camp. We provided Ngurubzira with some items to make her life at Nduta more comfortable - a mattress, soap, and clothing. Ngurubzira is also part of a group of women who are provided with the materials and training necessary to weave baskets. The group uses 50% of the income generated from selling these baskets to buy new materials and the rest is split evenly among the weavers. The income Ngurubzira receives can go towards buying additional food. Helping people like Ngurubzira generate their own income allows financial stability and dignity in very difficult circumstances.

Improving health and care services

In 2019/20, 225,784 older people in 17 countries received better health and care services or support because of our work with our partners - the majority of whom were older women (62 per cent). One example is our support of work with the Myanmar Ministry of Health and the EU to improve health systems for non-communicable chronic diseases (NCDs) for older people living in remote parts of Myanmar. The main NCDs affecting older people are heart attacks, stroke, cancers, chronic respiratory diseases, and diabetes. We established clinics that specialise in identifying, monitoring, and treating NCDs and offer free screening, medication, and treatment. These clinics closer to people's homes, increased access for older people and ensured the opportunity for early prevention. Through the programme, we trained more than 1,500 health staff on essential early treatments for chronic diseases, helping to transform patient wellbeing and disease management in the area.

The future: our strategy to 2021 and beyond

The future looks dramatically different for many older people in low to middle income countries due to this pandemic world. We are reviewing what specifically we need to do to continue to adapt to the current circumstances and to help older people, especially those most at risk. Our strategy remains sound. We know we need to continue to promote and deliver age inclusive humanitarian responses in emergencies to ensure that older people are protected, feel safe, and have access to the support they need. The pandemic has affected people's livelihoods, so we will continue to work to reduce poverty and protect older people's incomes, enabling them to be independent and secure. The pandemic's effects on the long-term health of older people, and often fragile health and care systems, may be profound, so we will continue to promote healthy ageing and influence the introduction or expansion of universal health coverage and resilient health and care systems. Finally, ageist attitudes and actions have exacerbated the pandemic's impact on older people, and we will work to promote positive attitudes and behaviour so that older people are valued and treated with the dignity and respect they deserve.

Our people and organisation

People are at the heart of our work. We employed over 1,900 colleagues in 2019/20 and were supported by over 7,000 volunteers. We want people's experience of Age UK to be a great one - whether they work for us, volunteer with us, support us, or come to us for help and support.

It's essential that we spend the money our donors entrust to us wisely and, among other things, that means ensuring we are efficient and effective in all we do. It's important that we have the right support in place for staff and volunteers to enable them to do their work well, so they can focus on making the greatest difference to older people's lives, no matter their specific role.

This is now: the 2020 pandemic

Like organisations across the country, we've had to make some very difficult decisions that have not only affected the work we do for older people, but the people - our staff and volunteers - who make that work possible. A few days before the PM's announcement of a national lockdown to start on 23 March, we had decided to close our shops to keep our staff, volunteers, and customer safe. Friday 20 March was the last day of work for many of our shop colleagues for many months, with our shops re-opening on a phased basis from mid-June to September.

We shut the doors to our London, Ashburton, Bath, and Blackpool (The Silver Line) premises on 20 March, and our staff quickly adapted to working from home, including our never more vital and in demand front-line services - the Age UK Advice Line, The Silver Line Helpline, and our telephone befriending services. This was enabled by a quick and relatively seamless move of previously office-based staff to laptops, Microsoft Teams, a new VPN, and other technologies, accelerating work already well underway to improve our IT. We took the unavoidable decision to furlough not only our whole shop team of over 1,100 staff, who were of course unable to work during lockdown, but also around 200 other colleagues whose work under normal circumstances was important. We realised very quickly that some of the roles couldn't be done during lockdown or wouldn't be as vital temporarily while we switched our priorities to a crisis response.

We're thankful to everyone who was and continues to be furloughed (at 100% of salaries, as we decided to top up the Government's contribution) - the money we've claimed through the Government's Job Retention Scheme has been a lifeline. We know that working at home in these far from ideal circumstances isn't always easy, so we've checked-in on people's wellbeing and run activities such as mindfulness sessions, online yoga, and remote wellbeing support groups to help people. Sadly, and with much regret, the consequences of the pandemic on our income, especially due to shop closures, has meant we had to consult with staff about making redundancies in retail, where 133 shops will not re-open their doors, and across the charity, shared services, and Age Co.

Alice Sturza: People Development Coordinator

What makes Age UK a great place to work?

Age UK's cause is very rewarding in itself, but when you add healthy work-life balance, wellbeing support, personal and career development, plus a great community, it makes for a very happy employee!

What makes you most proud to work for Age UK?

How much Age UK is there for older people and their families, whether they need a friend, a shoulder to cry on, advice, or support for challenges they may be facing. We are their

voice when they need one, and we do not hold back when asking for the world's support in doing all of that.

What do you think we could do better?

While modesty is a great trait of our people, we could swap it more often with boldness, and show everyone outside of Age UK, what a lovely place to work and thrive it is.

That was then: 2019/20

Being inclusive and valuing diversity

In the same way that we champion equality and fairness for older people, we are committed to being an inclusive employer and valuing the diversity of our people. This year we made progress on implementing our three-year Equality, Diversity, and Inclusion strategy, which is focused on improving our workforce diversity and embedding equality, diversity and inclusion into our culture, policies, processes, and systems. Our strategy is focused on making significant improvements in relation to race and disability, where our workforce is significantly under-represented.

We know that our commitment to diversity needs to start from the top, and this year we introduced a new Trustee recruitment process to encourage expressions of interest and applications from people with different professional and lived experiences to those who would normally apply. Using various networks, including social media, rather than executive search agencies, we reached a new audience and were pleased when over 200 expressed an interest in applying and over 100 attended one of our open events to meet our Directors. We paused recruitment during the pandemic but have now re-started and hope to appoint in the autumn of 2020.

Anne-Marie James: Employee Relations Consultant

What makes Age UK a great place to work?

Age UK allows me to work collaboratively across the charity as there are always opportunities to get involved in projects and initiatives.

What makes you most proud to work for Age UK?

I am most proud about the work Age UK does to help older people. Having the opportunity to be involved in some of these initiatives I feel like I can make a difference in the lives of older people.

What do you think we could do better?

One area I think we could do better is finding ways in which we could reach out to more older people from BAME backgrounds, who may not access or fully utilise the services we provide, which could benefit them in the future.

Safeguarding

Age UK understands that we must protect from harm all people who encounter our charity, this includes the public (including, of course, our beneficiaries) but also our staff and volunteers. Over the last year we have focused on raising awareness of what safeguarding means and what we expect our staff to do if they identify an adult at risk - whether a colleague, volunteer, or a member of the public. Through renewed and refreshed training, we've produced easy-to-follow guidance, and updated our safeguarding policies for both adults and children to reflect best practice and ensure they are easy to understand and follow. Due to the increased awareness of safeguarding issues, we've seen a 24% increase in the number of concerns reported to the Safeguarding team, up from 289 to 357. Each quarter, the Age UK Board of Trustees receives an in-depth report into safeguarding concerns. This is considered in detail by Sharon Allen, our safeguarding lead on the Board of Trustees, and further discussions and actions take place if necessary.

Employment policy and pay

Recruiting, retaining, and motivating employees are critical to Age UK's sustainability and success. Age UK's remuneration policy recognises the differences between our charitable and trading activity, and we compare the salaries we offer against charitable and commercial sectors as appropriate. We have an annual review process which is overseen by our Remuneration Committee (see page 52). Pay awards are overseen and paid in accordance with the framework set by the Remuneration Committee within the budget agreed by the Board for the overall increase in our salary costs. The salaries of our key management personnel, Age UK's Executive Directors, reflect the market in which individual Directors operate and are set using benchmarking data, as we do with other colleagues. Salaries are apportioned to reflect the amount of time the relevant Director spends in supporting charitable or trading activities. The Remuneration Committee considers the outcomes of each Director's performance review (see page 52).

The future: our strategy to 2021 and beyond

While most of our staff and volunteers are based in our shops, and have therefore returned to their 'normal' places of work (albeit with social distancing, PPE, enhanced cleaning practices, and other changes making the shops of today far from normal), our other staff remain at home. Like other organisations, we are making short-term decisions to respond to our colleagues' immediate wellbeing needs - for example, opening our London office for a small number of people finding it difficult to work from home - while considering the long-term question of how we will work in the future; our research with staff tells us that the majority want more flexibility to work from home, feel more productive at home, and are happy with the experience overall. However, working from home isn't without its challenges and we have work to do to resolve remaining technology glitches, support people's wellbeing, and make it easier for colleagues to collaborate and socialise virtually, as it is their friends and colleagues they are missing the most. We will also look at our shared services functions - including Finance, IT and CRM - to review how we can be most effective while continuing to reduce costs, including how we use the technology we already have to its fullest potential.

The pandemic has changed so much, but it's clear that racism, prejudice and injustice against Black people and ethnic minorities remain immense and ever-present problems in our society. We support the Black Lives Matter movement and peaceful protest and know that we as a charity, and our wider sector, need to do more to stand together and act together with our Black colleagues. In 2020/21 we will review our equality, diversity, and inclusion strategy to make sure it is addressing the right issues and moving at the right pace. We have held listening and sharing events with our staff they can hear about the lived experiences of Black colleagues, including the challenges they face. We are committed to long lasting change, both as a place of work and in our representation of and support for older Black people, and for people from other ethnic minorities: that is what we deliver.

Fundraising

Our wonderful supporters helped raise over £67 million this year. It's thanks to their generosity that Age UK can be here for older people when they need us the most.

A word from our fundraising Director, Laurie Boulton

Donations make possible everything we achieve for older people. We rely on the generosity of the public in giving gifts and leaving legacies more than we do any other income source. Fundraising powers our work. We simply would not survive without the kindness and commitment of our supporters. What's wonderful about giving to Age UK is it's an investment in all our futures, because we will all hopefully one day become older. So, thank you to all our supporters who stand with us and help us raise funds that have never been more life changing and vital.

This is now: the 2020 pandemic

Our financial year ended at the start of the coronavirus pandemic, turning many forms of our fundraising upside down. Income from fundraising events was immediately hit, and many of our face-to-face wellbeing programmes for older people were halted, affecting the restricted funding we receive to deliver those. The pandemic has pushed us to be much bolder with our fundraising. At the outbreak, we immediately knew we had to spring into action to ensure our national front-line services could continue to deliver up-to-date information and advice and telephone friendships at a time when older people needed us more than ever. It was also very important to us to be able support our network of local Age UKs who stepped up to the challenge that the pandemic posed with incredible tenacity and levels of support.

Fundraising was an essential part of our response. Within the same week of lockdown measures being announced, we had launched our Emergency Coronavirus Appeal, setting ourselves the ambitious challenge of raising £10 million. By July we had exceeded it, raising £12.2 million in total through the appeal.

We've experienced new levels of generosity and have learned so much about the people and organisations who have supported us for many years, and those who supported us for the first time during this crisis. We quickly wrote to over 800 organisations, including businesses, trusts and foundations, an approach which paid off. Corporate partners were by far the biggest financial contributor, with over 90 businesses giving a total of £7.3 million, including Barclays, Aldi, and Santander. We produced over 40 different fundraising creatives, including TV, press and radio adverts, door-drops, inserts, social media, digital banners, and posters. Celebrity and VIP support was like nothing we have ever experienced at Age UK. We managed engagements and activities with 80 celebrities, influencers, sports personalities, reality stars, including David Beckham and Ben Fogle. And we tested new fundraising ideas and new audiences such as initiatives like Overdress and Donate your Drink, which we'll build on in the future.

That was then: 2019/20

Fundraising is our biggest source of income. In 2019/20, 89% of our total net income came from fundraising. The total amount we raised through fundraising (gross income) increased by 11% on the prior year. This increase was due to successes across our fundraising portfolio (as outlined below), including a substantial new grant of £6.9 million from Sport England for the We are undefeatable campaign that Age UK delivers on behalf of The Richmond Group health charities (see page 14). In 2019/20, our fundraising costs remained static (£9.3 million). We plan for these costs to increase in future years as we invest to grow our fundraising and to reverse a declining trend in legacy bequest notifications. We will do this through investment in brand and fundraising activities that are already working for us,

alongside new activities, including mass-participation community activities, to widen our donor audiences, in order to raise more much needed funds for those older people most in need.

Legacies

This year our income from legacies totalled over £24.9 million (2019: £25.6 million). Legacy income is our largest source of fundraising income. More and more older people are facing a later life they never expected - affected by long-term health issues, poverty, or loneliness. These generous gifts will make it possible for Age UK to continue being there for vulnerable older people in the years to come. We thank all those kind individuals for their valuable gifts of hope to people living in difficult circumstances.

'My uncle was a gentle and generous man who enjoyed life and died just three weeks short of his 101st birthday. I know he would be very happy that his money is being spent on such a good cause helping others, perhaps less fortunate elderly people to get the most out of their final years.'

Donations and Gifts

The work of Age UK would simply not be possible without the generosity of the public. Each year thousands of supporters make one off or regular donations to support older people. This year, income from donations and gifts was £13.5 million (2019: £12.4 million). Donations and gifts remain our second biggest source of income after legacies and is an area which we hope to grow over the coming years. The work of Age UK would simply not be possible without the generosity of the public. Each year thousands of supporters make one off or regular donations to support older people.

An example of our public fundraising and awareness raising campaigns is our annual Christmas campaign, 'No one should have no one'. The campaign raises awareness of the challenges getting older can bring, such as coming to terms with a bereavement or becoming a carer for a loved one. It calls on the public to donate and help Age UK be there for the older people who need us the most. Each year the campaign raises over £750,000 and provides long term support for older people as thousands of supporters set up regular gifts, make one-off donations, and text-to-donate. In 2019/20, we wanted to highlight how Age UK is there for older people to turn to. Our TV advertisements featured three Age UK beneficiaries telling their stories, including Terrence, an older volunteer with Age UK Oldham. The response to Terrence's story was tremendous - Terrence appeared on BBC Breakfast, a clip of Terrence has been watched more than 14 million times on social media and was shown on CNN and CBS News in the USA and Terrence's story generated around 200 pieces of media coverage, raising awareness for Age UK and driving donations.

If you'd like to help older people by donating or fundraising for Age UK, please contact our Supporter Engagement team on 0800 169 8787 or at fundraise@ageuk.org.uk

Grants, corporate partnerships, and trusts

In 2019/20, we received £17.8 million (2019: £11.5 million) in support from corporate partnerships, trusts and public sector grant giving bodies and we are extremely grateful to all of them for their generosity. With this funding we have been able to support ground-breaking research into cognitive ageing, deliver programmes that tackle loneliness, promote health and wellbeing, and provide information and advice to older people most in need. For example, our 'Joining Forces' programme funded by The Armed Forces Covenant Fund Trust provided practical support and social activities to 38,867 older veterans, families and carers this year.

'It is the best thing that we ever got involved in... we've started to live again because of what Age UK have helped us with and do for us. I mean the little trips that they take us on are absolutely fantastic.' Joining Forces programme participant

We continue to be proud to work with corporate partners from a range of sectors, who share our ambition to make life better for older people who are most in need. As well as providing funding, our corporate partners' employees have given thousands of hours of volunteering, donated hundreds of bags of stock to our shops, and shared their skills and expertise to help us be here for every older person who needs us. We thank every one of them.

Cadbury's Donate your words campaign

In September 2019 Cadbury launched 'donate your words', a campaign supporting Age UK and raising awareness of loneliness in later life. Cadbury removed all the words from the front of its iconic Dairy Milk bar and donated 30p from the sale of each one to Age UK - raising over £300,000. Alongside this, the campaign also encouraged the public to reach out to older people who might be lonely with a friendly conversation or act of kindness. 460,000 people pledged their support to the campaign, including many Cadbury colleagues who fundraised and volunteered for Age UK. Our partnership with Cadbury has won multiple charity and marketing awards including Best Business Charity Partnership at the Institute of Fundraising's National Fundraising Awards.

Lotteries and raffles

Age UK's society lottery (including our raffle) income in the year totalled £11.5 million (2019: £11.3 million). It's a significant and reliable source of funding for the charity and is one of the largest charity lotteries in the UK. The lotteries and raffles programme supports three specific areas of Age UK's work under three Society Lottery licences: information and advice; education and research; and local programmes.

In 2019 we gave out more than 50 prizes in our Friday draw. Our lottery players have the chance to win weekly prizes that range from our quarterly prize of £25,000 cash to vouchers for well-known retailers. We also introduced new ways to win - such as a Welcome Draw for new players, and a second weekly draw, the Tuesday Treat. At the same time, we ran three raffles during the year, and during Christmas 2019 were delighted to record the biggest Age UK raffle prize since 2014.

'This is the first time I have ever won anything... the money will be used to bring my youngest son and his family over from Canada.' Mr B, Warwickshire - £5,000 Superdraw Winner 2019

The future: our strategy to 2021 and beyond

This year we began a new strategy to be much bolder in our fundraising. We believe that fundraising should not simply be the job of fundraisers, but a passion and determination that lives through the whole of Age UK. In the future, you will see us trying new ways to fundraise - some things will work, others will not, but we will not stop trying because we always have more to do. Most of the £12 million plus we raised during our Emergency Coronavirus Appeal came from organisations and donors that already have a long-standing or existing relationship with Age UK. This is a testament to years of work that we have already invested in creating partnerships and donor relationships that are built on trust and a strong belief in our charitable aims and achievements. By investing in our fundraising and having a shared commitment to fundraising across Age UK, we believe we can take that trust and belief further, reaching new audiences in new ways.

Strategic Report

How we fundraise

The fundraising team at Age UK has a responsibility, in line with charity law, to raise funds in the most effective way possible to deliver our work for the older people most in need. We do this in conjunction with our commitment to high ethical standards and practices reflected in our Fundraising Charter (<https://www.ageuk.org.uk/get-involved/fundraise/fundraising-charter/>).

Our fundraising activities are delivered both in house as well as utilising the specialist skillsets of third-party agencies when required including but not limited to; fulfilment services, media agencies, creative agencies and call centres. Age UK only works with agencies that align with our values and all third parties are monitored regularly. We take a supporter-led approach to our fundraising, which means we offer a variety of ways that the public can engage with our fundraising. It is important to us that supporters find a way to give to us that works for them. This includes, but is not limited to, making one-off or repeat donations, taking on a challenge, and asking their networks to support them, buying a lottery or raffle ticket, or leaving a gift to us in their will.

Ensuring positive fundraising

Our aim is to ensure that engaging with Age UK's fundraising activities is a positive experience and that donors and the public are always treated with respect, fairness, honesty, and clarity. Age UK is regulated by the Fundraising Regulator and therefore complies with the Code of Fundraising Practice and the Fundraising Promise. Age UK is also a member of the Chartered Institute of Fundraising and we collaborate with them to strive for the highest standard of fundraising practices across the sector. We regularly review our fundraising approach and work with others with the aim of promoting best practice across the charity sector.

'Age UK gave me amazing support from start to finish. It was so personal; I'd always choose to support them with future events.' Claire, Age UK runner
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Keeping our supporters' data safe

We take the role of protecting and using supporter data in the right way very seriously. Our Chief Data Officer and Information Security Team continually review how we securely and safely store, manage, and destroy personal and sensitive information. We maintain a strict adherence to the Data Protection Act 2018 and record supporters' preferred methods of communication.

Fundraising through third parties

Rigorous contracts are in place with third party agencies and we require strict adherence to applicable laws such as the Fundraising Regulators Code of Fundraising Practice as well as data protection laws. We do not conduct any outbound telemarketing or face-to-face fundraising.

How we monitor fundraising

Age UK uses a broad variety of fundraising channels to engage our diverse supporter audiences to raise funds for the charity and provide updates on the impact of donations. We also gratefully receive donations of clothes and goods to our shops. All fundraising activity is subject to an approval process that is supported by our Fundraising Compliance Manager and Legal team. The performance of fundraising campaigns and our third-party suppliers is regularly reviewed. We are consistently looking to hear feedback from supporters and internal and external stakeholders to deliver a high standard of performance and compliance.

Protecting the privacy and data of our supporters

We remain committed to protecting and respecting the privacy of all our supporters. We have continued to work closely with our partners across the Age UK network to ensure that all individuals' data is captured, stored, and used compliantly and with the utmost care. We have focused on strengthening the existing collaboration and processes with our suppliers and agencies in respect of personal data. We have also adjusted our privacy policy which we think better reflects the nature, scope, context, and purposes of processing that the organisation undertakes. The full version of our privacy policy can be found at <https://www.ageuk.org.uk/help/privacy-policy/>

Addressing people's concerns

In 2019/20 we received 690 complaints about our fundraising practices. We take all complaints seriously and respond to each one in line with our complaints policy. This year we saw an increase in complaints related to GDPR data issues, particularly our lottery and raffle fundraising. Our raffle and lottery operations have now been integrated within our fundraising department to ensure a more consistent supporter experience. Overall, the number of complaints we received when compared against our fundraising reach remains low, but we are aiming to reduce this further. One of these complaints in 2019/20 was referred to the Fundraising Regulator and required us to investigate and take further action to improve our fundraising practices around clothing bag collections. We identified shortcomings and have changed our approach to charity shop donations to both improve our supporters' experiences and prevent the recurrence of this type of issue. No other matters were referred to the Fundraising Regulator this year.

Protecting vulnerable people

Our policy on fundraising with people in vulnerable circumstances is followed by all our fundraisers. Our Fundraising Compliance Manager reviews all fundraising materials and provides training to our fundraisers, and those fundraising on our behalf, when required. In addition, we incorporate the Institute of Fundraising's 'Treating donors fairly' guidance into our fundraising. We regularly review our fundraising marketing channels and propositions and take on feedback from our supporters and the public.

Trading

Age UK Trading CIC runs over a large network of charity shops and Age UK Enterprises offers financial services and independent living solutions designed for older customers, mostly under the Age Co brand. When affordable, both give their profits to Age UK to fund our charitable work.

This is now: the 2020 pandemic

On 20 March we closed all of Age UK's 392 retail shops due to the lockdown, furloughed 1,100 shop colleagues, and said temporary farewells to our circa 7,000 volunteers. The financial effects on the charity of the closure of our shop network has been very serious. While furlough provided a lifeline, and we were able to secure a small amount of rent relief and local government grants, after an in-depth review of the past performance and size of every shop (with social-distancing guidelines in mind), we consulted on the permanent closure of 133 shops that we could not foresee returning to profitability for some time to come. Our shop colleagues and volunteers are like a family, and we know it has been devastating news for many - we very much wish the circumstances could be otherwise, but shop closures were unavoidable. We have re-opened most of our remaining shops following the easing of lockdown thanks to the incredible efforts of our shop teams of whom we are very proud. Our customers are happy to be back and, although it's a very different working and shopping experience for our staff, volunteers, and customers alike, our COVID-secure safety measures aren't hampering sales, with positive early signs. Income from Age UK Enterprises, which offers car and home insurance, funeral plans, and a range of independent living products delivered by third-party product providers, has also fallen because of the pandemic. However, recent restructuring, a new operating model, more efficient working practices have reduced the impact.

That was then: 2019/20

Charity shops made an operating loss of £2.0 million (2019: profit of £0.7 million) Until early March 2020, our shops were performing well but, as was the experience of high-street retailers across the country, the effects of fear about the pandemic started hitting footfall and sales in early March. We decided to close all out stores on date to keep our staff, volunteers, and customers safe, a couple of days before the Prime Minister announced the lockdown. This meant 10 losing trading days which, given the significant costs involved in running a network of 392 shops, was the basis of the operating loss.

Net income from financial services and independent living solutions was £1.4 million (2019: £3.8 million). This was due to a decline in insurance and funeral plan sales. Age UK Enterprises has continued to roll-out of the Age Co brand across its product range to ensure that its customers are aware it is a commercial transaction, that the price is not subsidised by Age UK, and that profits are donated to the charity.

In the second half of 2019/20 Age UK Enterprises undertook a review of its operating model and began the implementation of a turnaround plan, funded in part by a capital injection of £1.5 million by Age UK (via Age UK Trading CIC, its parent company until February 2020 when it became a direct subsidiary of Age UK). Age UK Enterprises has since implemented a significant restructure, affecting both itself and its network of appointed representatives, called Trading Alliance Members.

As described in last year's report, in September 2019 the Age UK Enterprises Board took the difficult decision to close the Trading Alliance, formed of Trading Alliance Members (TAMs) owned by our local Age UK partners. The TAM network had already undergone significant restructuring in 2018, but the decision was taken to close the remaining 29 TAMs due to the

significant cost to Age UK Enterprises of running a face-to-face network, especially in a competitive online market. Age UK Enterprises will in future, and when affordable, redistribute a proportion of the profit it earns from Age Co sales to former TAMs. All TAMs were closed by 31 January 2020. Age UK, the charity, paid grants to TAM-owning charities based on projected income for February and March 2020 and will pay further grants for the next two years to support local Age UKs to mitigate the effects of lost income.

Age Co's Trading Principles

- Age Co will offer products and services which are good for older people: We ensure our products genuinely have features and benefits (including the service surrounding their purchase and/or use) which we can evidence make them especially suitable for our customers, measured against our own knowledge of the needs of older people, not just benchmarked against standards in the relevant market sector.
- Age Co's prices will be fair and appropriate: Age Co's prices will be fair – we will offer good value for money. Age Co's prices will be appropriate – we will ensure our offering includes price points which are appropriate to people on low or moderate incomes.
- The profit returned by Age Co to the charity will be reasonable and acceptable: Just because the charity uses the income from Age Co's activities for a good cause this does not justify 'excessive profits', especially when our customers are the charity's beneficiaries.

The future: our strategy to 2021 and beyond

With most shops now open and doing better than expected our whole shop team is working hard to return to profitability as soon as possible. However, we cannot recover the income lost during the lockdown and we expect it to be some years before we are able to reach pre-pandemic levels of income and profit - assuming, of course, the local lockdowns do not become more widespread and that there is no future national lockdown. Age UK Enterprises has completed a significant restructure and is implementing its turnaround plan under largely new leadership and with a new operating model, including the outsourcing of marketing activity to our product partners, some of which was previously delivered in-house. Customer feedback remains very positive and we will continue to work with our product partners to ensure we meet customer needs.

Financial review

Throughout the Strategic Report and in this Financial Review the charity's trading income is expressed in net terms rather than gross. Age UK's accounts are consolidated, which means they include the income (and costs) of its charitable and trading subsidiaries. Age UK's trading subsidiaries - Age UK Trading CIC - and Age UK Enterprises, generate significant income, but the cost of doing so is considerable. Their respective costs include the rent, electricity, and maintenance of our charity shops and the marketing of financial services, independent living solutions and other commercial products and services. When considered in gross terms, this can make it appear that the charity has far more available to spend on charitable activities than it does. Age UK's trading subsidiaries gift the charity their profits (when those subsidiaries are sufficiently profitable to do so), so it is these net amounts that the charity has available to spend on charitable activities. Fundraising is also shown as net in the Financial Review to ease comparison.

We have included projected figures to be transparent about the financial challenges the charity is facing in 2020/21, the current financial year, and beyond. These figures are based on detailed analysis of our projected income and expenditure and are our best estimates based on what we know at the time of writing. The situation could change considerably over the coming months depending on the future path of the virus, the impact of local and national restrictions or lockdowns, and the economy. Given this, these figures may change and differ from our audited accounts for 2020/21.

This is now: the 2020 pandemic

As explained throughout this report, the effects of the coronavirus pandemic on Age UK's finances have been significant and serious. The enforced closure of our shop network due to lockdown, which began in the prior year and contributed to our deficit position, will have deeper and more long-lasting effects this year; the 15 weeks of closure saw us lose £12 million in shop income, which we cannot recover even though many of our shops are now open and trading conditions are encouraging. Not all our shops have reopened. Sadly, we had no choice but to consult on the closure of 133 shops. In total, we are planning for projected savings of circa. £15 million this year, which will include over 400 redundancies, in addition to other savings and efficiencies. On the income side, the Age UK Coronavirus Emergency Appeal has raised £12.2 million, but is ring-fenced to protect Age UK's and our partners' front-line services, and we anticipate that the success of the appeal may make fundraising more difficult later in the year. We expect to receive circa. £6 million from the Government's Job Retention Scheme, after furloughing many of our staff - over 1,200 or 70% of our workforce at its peak - and will benefit from the Government's Job Retention Bonus scheme. Commercial income streams have been hit by the pandemic, but we believe they are better placed to weather the challenges after a major restructure, a new operating model, and a lower cost base. Free reserves are expected to fall in 2020/21, however we have a 3-year financial recovery plan in place to restore our reserves, which should achieve further significant savings in both years.

That was then: 2019/20

Age UK's income available for charitable activities increased to £58.2 million (2019: £56.2 million). Our charitable expenditure increased by 11% to £63.6 million (2019: £57.4 million). £2 million of the operating deficit of £5.9 million was caused by the effects of the coronavirus pandemic on our shop network, which saw footfall and sales slow considerably in the run-up to the closure of all our shops on 20 March 2020. In our budget for the year, we had projected a small deficit to accommodate the charity's acquisition and integration of The Silver Line and grants paid to TAM-owning charities to reflect income lost due to the closure

Strategic Report

of the TAM network. We used our free reserves to ensure we could fulfil our spending obligations despite the deficit, leaving them at £25.4 million on 31 March 2020, below our target range of £30-£50 million. The global crash of stock markets in February and March 2020 removed all in-year gains with investment values falling by £3.4 million overall.

Statement of Financial Activities Summary and net calculations	2020			2019
	Income £'000	Expenditure £'000	Net £'000	Net £'000
Donations and gifts	13,476	(3,300)	10,176	8,983
Legacies	24,956	(4,024)	20,933	21,827
Grants, corporates and trusts	17,823	(1,975)	15,849	9,396
Lotteries and raffles	11,485	(6,856)	4,628	4,678
Total fundraising	67,740	(16,155)	51,585	44,883
Income from charitable activities	4,374	-	4,374	4,232
Trading (net)*	929	-	929	5,695
Investments	1,018	-	1,018	1,398
Net (loss)/gain fixed assets	(32)	-	(32)	(51)
Covid 19 job retention scheme	336	-	336	-
Net resources available for charitable activities	74,365	(16,155)	58,210	56,157
Charitable expenditure			(63,610)	(57,426)
*Trading analysis				
Trading activity	57,517	(56,588)	929	5,695
Charitable activity analysis				
% of income available for charitable activities			78%	78%
% of income spent on charitable activity			109%	102%
% of fundraising income available for charitable activities			76%	74%

Fundraising

Net income from fundraising increased to £51.6 million (2019: £44.9 million). The increase was largely driven by higher grant income, in particular to our partnership with Sport England for the 'We are Undefeatable' public health campaign, which we were pleased to run on behalf of the Richmond Group of charities resulting in a £6.2 million increase year on year. Legacies are typically cyclical in nature and decreased to £25.0 million (2019: £25.6 million). Total fundraising costs, excluding lotteries and raffles, remained unchanged at £9.3 million. Age UK's weekly lottery saw its net income reduce marginally to £4.6 million (2019: £4.7 million). Costs also increased slightly to £6.9 million (2019: £6.6 million).

Review: Fundraising performance was strong and, as we set out on page 36, we are developing an ambitious fundraising strategy to achieve sustainable growth. We saw an increase in numbers of individual donors and welcomed successful new partnerships, including our Donate your words campaign with Cadbury (see page 36).

Trading

Commercial activities had a difficult year with a fall in net income to £0.9 million (2019: £5.7 million), representing less than 2 per cent of total net income.

Age UK Trading CIC's 392 charity shops were particularly affected by the coronavirus pandemic with all shops shutting from 20 March and reduced footfall and sales from the beginning of March. The overall impact in 2019/20 was a reduction in net income of c. £2 million. Charity shops made an operating loss of £2.0 million (2019: profit of £0.7 million) after group cost allocations and an increase in shop dilapidation and lease provisions of £0.4 million.

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Reductions in funeral plan volumes and lower insurance income within Age UK Enterprises saw net income fall to £0.4 million (2019: £3.4 million). Operational costs were reduced, but this was offset by significant restructure costs. Net income from our Independent Living Solutions portfolio increased to £1 million (2019: £0.3m), largely due to a reduction in marketing and operational costs. This activity moved from Age UK Trading CIC to Age UK Enterprises in the year.

Review: Trading conditions were very tough and significant steps have been taken to ensure that the businesses operate off a sustainable cost base. The coronavirus pandemic had a major impact on the shop network, with all shops remaining closed in the first quarter of 2020/21 and permanent closure of 133 shops thereafter which will result in a significant decline in net income in future years.

Income from charitable activities

Income from charitable activities increased slightly to £4.4 million (2019: £4.2 million). This includes income from our legacy Gifted Housing Service, our Experts by Experience contract with the Care Quality Commission, and income from Age UK Suffolk for its paid-for services.

Review: Overall, income from charitable activities performed as expected. The coronavirus pandemic compounded the financial challenges faced by our local Age UK subsidiary, Age UK Suffolk, which was forced to close its paid for and funded services from March 2020. Age UK Suffolk subsequently closed on 24 July 2020 (see page 25). This year, we reviewed our Experts by Experience contract with The Care Quality Commission and decided not to participate in future years.

Charitable expenditure

Age UK's charitable expenditure increased to £63.6 million (2019: £57.4 million).

Review: As with other charities, some of our charitable expenditure is determined by the ebb and flow of restricted funding for time-limited programmes, especially for our wellbeing programmes and international work. The increase in charitable spend this year was largely due to additional funding and spend on the Sport England-funded 'We are Undefeatable' campaign (see page 14, within Campaigns and Research). In October 2019 Age UK became sole member of The Silver Line, with the charity joining Age UK as a charitable subsidiary. Age UK invested in integration costs to improve efficiency and reduce The Silver Line's cost base (see page 24, within Wellbeing programmes and services). The charity also bore the cost of grants to TAM-owning local Age UK charities to help manage their transition after the closure of the TAM network. Additional grant payments will follow in 2020/21 and 2021/22.

Funding and finance

Balance sheet

Balance sheet net assets fell by 11 per cent, from £57.4 million to £51.6 million. The £5.8 million overall decrease in the balance sheet comprises:

- £0.8 million decrease in fixed assets in line with depreciation.
- Investments decreased by £9.4 million: Listed and unlisted investments made up £8.4 million of this figure due to the transfer out of £5 million for working capital purposes during the year and to ensure sufficient liquidity following closure of the shops in March. The global decline in stock markets in the final month of the year resulted in an unrealised loss of £4.0 million, further reducing investment values. Investment properties decreased by £1 million after disposals of £1.7 million and an unrealised revaluation gain of £0.4 million.
- Net current assets were marginally up on the prior year.
- Provisions increased by £1.1 million due to restructuring provisions held at year-end.
- There was a £5 million improvement in the defined benefit pension scheme liability due to liability value movements and the impact of deficit recovery payments.

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. Both sections of the scheme are closed to new entrants and future accrual.

A full actuarial valuation took place on 1 April 2019 and this has been reworked and projected forward using the 2020 FRS 102 assumptions. The triennial valuation showed an improvement resulting in a reduction in the length of the deficit recovery plan. Both sections of the scheme are valued and reported in accordance with FRS 102 and advised by scheme actuaries. The scheme showed an overall decrease in deficit of £5.0 million (£5.8 million decrease in 2018/19). The fall was due to a reduction in scheme liabilities which offset the market decline in asset values. The decrease in liabilities was mainly a result of lower inflation rates.

The discount rate decreased to 2.2 per cent (2.4 per cent in 2018/19), due to year on year increases in market bond yields. RPI fell by 0.6 per cent to 2.8 per cent. Deficit contribution payments of £3.6 million were paid in the year reducing the deficit further.

The 2019 triennial valuation has been concluded and it was agreed at that time to maintain the deficit contributions at their existing level despite the improved funding position. However, because of the impact of the coronavirus pandemic the Pension Trustees have subsequently agreed to a deferral of contributions for the first six months of 2020/21. This therefore will reduce the 2020/21 deficit payment to £1.8 million.

Reserves policy

Age UK's reserves policy is reviewed annually and continues to be based on a free reserves approach. Total funds held at 31 March 2020 were £51.6 million, which compares to £57.4 million at 31 March 2019. This includes total endowment funds of £2.5 million (2019: £2.6 million), restricted funds of £13.6 million (2019: £10.9 million) and designated funds of £17.3 million (2019: £18.9 million). Designated funds consist of the fixed asset funds which

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represent the net book value of fixed assets, including investment property and net of related provisions.

Free reserves at 31 March 2020 were £25.4 million (2019: £37.4 million). Free reserves are defined as unrestricted funds which have not been earmarked and may be used generally to further the charity's objectives. For the purposes of this calculation, the pension reserve is added back to the total unrestricted. Age UK takes a nine-month forward view of free reserves, factoring in commercial and other risks. This enables Age UK to determine the reserves range required for the charity to cover planned charitable expenditure over the following nine months under two adverse scenarios reflecting a combination of risks identified through the risk management process. Applying this principle, Age UK has a target free reserves range of £30 million to £50 million. At 31 March 2020, Age UK's free reserves were £25.4 million so have fallen outside this target range.

The coronavirus pandemic affected the year end position but has a far greater impact in 2020/21 due to the closure of shops and decreases in other income streams. Detailed financial projections have been completed for the next three years, supported by a restructure to rationalise the future cost base, which set out Age UK's future financial sustainability.

The Trustees have reviewed these numbers and feel it is still appropriate to maintain the target range at its existing level given the current exceptional circumstances. Cash forecasts have been prepared and there is sufficient liquidity to meet all operational requirements in the interim period and levers to adjust expenditure if required.

Going concern

Age UK continues to prepare its financial statements on the basis that it is a going concern.

In doing so it has considered the impact of the coronavirus pandemic and the other business risks it faces and has put in place a number of actions to manage these. Details of the impact the pandemic has had on Age UK is laid out on pages 13-30.

The coronavirus outbreak led to the closure of Age UK's retail shops during lockdown which caused a significant loss of income as well as there being decreases across other normal income lines. This has resulted in our reserves falling to £25.4m, which is below our reserves policy to hold £30-£50m, and we anticipate that these will continue to fall in 2020/21. In response to this, management undertook an urgent review of the retail estate resulting in the closure of 133 of our 392 shops, ceased all non-essential expenditure and utilised the Government's Job Retention Scheme, bringing in over £5.3m. We consulted with staff about making redundancies in retail, the charity, shared services, and Age Co to reduce costs. A further work programme has been started which seeks to make a number of other cost savings which will encompass short-and long-term cost savings. In addition, we launched our Emergency Coronavirus Appeal to ensure the continued delivery of our key services to older people and to support the local Age UK network, which have both seen unprecedented demand during the pandemic. This has raised £12.2m.

A robust three-year planning process has been carried out which looked at projected cash flows, sensitivities and reserves requirements over that period. This has resulted in a detailed recovery plan to ensure future financial sustainability and a return to meeting our reserves threshold of £30m by 2023/24.

Having considered the risks and uncertainties the Trustees have a reasonable expectation that Age UK will continue in operation for the foreseeable future and meet its liabilities as they fall due.

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Investment policy

The charity's overall investment objective adopted by the Trustees is to maintain and enhance the value of the portfolio in real terms to enable the charity to realise its charitable objectives in the future. It seeks to maximise real returns over time, that is to protect the after-inflation value of the charity's assets whilst being in line with the charity's risk appetite which is defined as medium risk. The investment policy is reviewed by Age UK's Strategic Finance Committee on an annual basis.

As at 31 March 2020, Age UK had £47.7 million invested in readily tradable securities with a liquid secondary market. The investments are managed by Sarasin and Goldman Sachs in a close to 50/50 split designed to reduce risk and consist of two Long Term portfolios and several smaller endowment funds.

Both managers work within the boundaries of the same investment policy but employ slightly different strategies which complement each other whilst still offering additional diversification.

The long-term portfolios contained just over £45.3 million and are invested in government and corporate bonds, index-linked gilts, UK commercial property, global equities, alternative assets, and cash. Any non-Sterling investments are 70% hedged back to GBP. Age UK also holds endowed funds with a market value as at 31 March 2020 of £2.3 million. These funds are invested in the Sarasin Endowments Fund from which we receive income on a quarterly basis.

Both managers had performed well across 2019 and into 2020 when, in February, the onset of the coronavirus pandemic created one of the worst periods of market reversal since the 2008 Financial crisis with both equity and high-quality bonds falling in value. In two months, the portfolios fell by nearly 12%, reducing the value of our investments by nearly £6.4 million. The comparison benchmark also fell by 13.6%.

Overall performance for the year saw a net drop in investment values of 3.9% for Sarasin and 5.3% for Goldman Sachs - the difference between the two was due to the larger exposure to non GBP assets that Goldman Sachs hold which, despite hedging, moved against us in March 2020 as Sterling weakened significantly.

Despite the market reversal we still believe that the allocation of the current investment portfolio is appropriate to meet our investment objective.

Risk management and assurance

Age UK's Trustees have overall responsibility for the management of risk within Age UK. Trustees view the management of risk as an essential discipline to support Age UK in achieving its strategy and goals.

During this year, the Audit and Risk Committee and Trustees have overseen Age UK's activities having regard to the Risk Management Policy, Risk Framework and Risk Appetite to ensure appropriate identification and consideration of risk within Age UK.

The Audit and Risk Committee is responsible for the oversight of the work of Executive Directors in this area and ensures that challenge is provided, and that robust mitigating actions and controls are in place. Age UK operates a 'three lines of defence' model which balances ownership and accountability for managing risks in the charity with a separate risk and compliance function and an independent internal audit.

The Audit and Risk Committee is responsible for the appointment of the internal auditor and external auditor. Over the course of the year, BDO continued in their role as Internal Auditors while Crowe served as Age UK's external auditors. Age UK considers risk across different time horizons and from different viewpoints. This allows us to make effective use of resources within our budgets as well as to build in deliberate debate and monitoring at the right level within Age UK, be that Board discussions, executive meetings, or department meetings.

In the context of the coronavirus pandemic, the Audit and Risk Committee increased the frequency of its meetings and a full assessment of risks arising from the impacts of the pandemic was carried out identifying several new risk areas. As well as this, actions and plans were developed, and risk owners identified to plan and put into effect necessary mitigation steps. As well as this, the Committee considered the financial impacts of COVID-19 on the future financial position of Age UK. Below we have shared what we consider are our greatest challenges to achieving our strategy and the context surrounding each risk:

Risk	Mitigation and Actions
Financial performance and resilience - Significant reduction in income streams from retail, fundraising due to COVID-19 in part and economic pressures from cashflow and political risk including Brexit.	Some specific key actions taken to mitigate this risk in the context of the coronavirus pandemic included: <ul style="list-style-type: none">• We reviewed a range of scenarios to stress test the impact on our finances, performance, liquidity, and the effectiveness of our funding requirements particularly around retail during our weekly Finance Committee meetings• Holding a significant value of reserves to support our core activities and ensure these remain within the agreed margin of safety set by the Strategic Finance Committee during this period of volatility• Increased reporting to Audit and Risk Committee and Trustees Board with a focus on cash generation, and funding requirements across the business• Delegated authority approval process reviewed ensuring scrutiny of material income and unusual expenditure• Annual budget setting process, including review and challenge from senior management and Trustees

	<p>In the future, our focus will be on seeking to strengthen our reserves once again which we hope to see achieved through the return of more stable and positive investment conditions as well as the development of our own fundraising capabilities.</p>
<p>Protecting the Charity's Assets - Pensions liabilities on growth and investment plans.</p>	<ul style="list-style-type: none"> • Ongoing discussions with Sarasin Asset Management and Goldman Sachs Asset Management to manage the Charity's investments. • The Strategic Finance Committee works with the Executive and these advisors take a considered medium to long-term strategy which provides a financially resilient asset and liability approach to curtail the more unpredictable short-term gains and losses. • Ongoing work with the Pension Scheme Trustees legal advisors to reduce impact of payment on cashflow.
<p>Coronavirus pandemic - global pandemic results in large scale disruption to the workforce and the provision of services to older people by Age UK network.</p>	<ul style="list-style-type: none"> • Our planning and move to a smarter way of working model meant that when the coronavirus pandemic lockdown was triggered, just under 60% of staff were mobile device enabled, with the group being now 99% enabled for remote working. • The flexibility has meant that we have been able to respond to the virus outbreak quickly and have delivered services to the most vulnerable and isolated groups of older people where they most needed our services.
<p>Working together - Age UK is part of a network of independent local and national charities, as together we deliver more for older people.</p>	<p>As a national charity we:</p> <ul style="list-style-type: none"> • Continued to work together with our local and national partners to strengthen their impact and improve their financial resilience. • The Age UK network, with Age UK as a member held a 'Big Conversation' about a shared strategy for the next decade (see page 26) to respond to older people's needs and ensure an enduring presence of the local support on which they rely.
<p>Regulatory and Reputational risks to the charity of our commercial activities - Age UK's trading subsidiaries work with third parties to offer physical products, financial and other commercial services, for sale to the 50 plus market. Profits are gifted to the charity to fund its charitable work</p>	<ul style="list-style-type: none"> • We transferred these products and services to a new, clearly commercial brand, Age Co. • We continued to follow the key principles established by the introduction of the Age Co Trading Principles, against which all existing and future products and services are evaluated before being granted use of the Age Co trademark by the charity.

<p>Safeguarding - Protecting the health, wellbeing and human rights of our beneficiaries, supporters, and colleagues.</p>	<ul style="list-style-type: none"> • The Board of Trustees approved updated group-wide safeguarding policy and procedures. • Formal governance and reporting structures have been established. • Reviews of serious cases and lessons learned implemented in a timely manner. • Mandatory training for all staff, volunteers and employees working with adults and vulnerable older people.
<p>Meeting our regulatory obligations in a broad and evolving regulatory landscape</p>	<ul style="list-style-type: none"> • We have invested more resource in information security, data governance and fundraising compliance, both in recruiting experienced people as well as systems and technology to identify breaches. • General Data Protection Regulation (GDPR) included as part of mandatory training for all employees, volunteers. • Regular GDPR meetings chaired by the Data Protection Officer with a cross section of Managers across the group for latest ICO updates. • Information Security Awareness training mandatory for all employees. <p>Age UK is piloting assurance mapping with the objective of bringing greater understanding and ownership to the charity and its subsidiaries of regulatory compliance, and the requirement to provide assurance to the Trustees.</p>

Governance

Age UK is a charity constituted as a company limited by guarantee (registered charity number 128267 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:

- Preventing or relieving the poverty of older people.
- Advancing education.
- Preventing or relieving sickness, disease or suffering in older people (whether emotional, mental or physical).
- Promoting equality and diversity.
- Promoting the human rights of older people in accordance with the Universal Declaration of Human Rights.
- Assisting older people in need by reason of ill health, disability, financial hardship, social exclusion or other disadvantage.
- Such other charitable purposes for the benefit of older people as the Trustees may decide.
- The outcome of this being the promotion of the wellbeing of older people.

This is now: 2020 pandemic

The 2020 pandemic brought with it the question of how to adapt our existing approach to governance to a changed and changing world. This section of the Annual Report outlines the governance structures which Age UK has, and those structures have held good - but the immediate priorities of those boards and committees and the ways in which we worked moved rapidly. Many of our boards and committees met more frequently, particularly in the initial months to address urgent issues and keep on top of a fast-moving operating environment. Examples of how our ways of working changed during that period include:

- Our Board of Trustees met weekly to receive weekly briefings on our response to COVID-19, ensuring both that it stayed close to changing events and the changes in our charitable activities to serve older people and that it was well placed to make decisions as and when needed.
- Our Strategic Finance Committee met regularly as we took steps to respond to loss of income - monitoring forecasts, cashflow, liquidity and our investments.
- Our Board of Trustees, the Strategic Finance Committee, and Age UK Trading CIC worked closely together to make decisions about the future of our charity shops.
- Our Audit and Risk Committee responded rapidly as we reviewed risks and mitigations both in relation to the activities we launched in response to the pandemic and its impact on our organisation and its risk profile.

Age UK Board of Trustees

Our Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, have overall responsibility for the strategy, management, and control of Age UK (the Charity and its subsidiaries). Our Chief Executive, working with the Executive Team, is responsible for delivering the Board's vision and strategy and for the day-to-day operations.

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As of 31 March 2020, the Board was made up of eight Trustees.

Our Articles allow up to 12 Trustees including:

- Eight Appointed Trustees.
- Either the Chair of the Age England Association (representing our network of Brand Partners) ex officio or another person nominated by the Association.
- Up to three co-opted Trustees (for a term to be decided by the Trustees).

All Trustees are required to demonstrate that they meet the skills needed, which are set out in the role profile. Appointments are led by the Remuneration and Nominations Committee which makes recommendations to the Board of Trustees. We recruit based on an evaluation of the balance of the diverse skills and experience needed to govern the Charity in the long term, ensuring that the Board is fit for purpose and brings a diversity of different interests and experience.

Appointed Trustees are recruited following external advertisement and their skills and competencies are assessed against the role profile. They serve for an initial term of two years and, subject to review and the approval of the Board of Trustees, may serve for two further periods of three years.

All new Trustees are given an induction programme which is tailored to their needs. Individual Trustees have regular appraisals with the Chair of the Board; this enables any training and development needs to be identified and addressed.

The Board of Trustees holds away days once or twice a year which focus on strategic issues and are an important part of Age UK's process for developing strategy, annual plans and budgets. The Trustees have overall approval and oversight of the organisation's strategy, plans and budgets and are regularly kept updated on progress against these and a series of agreed targets and key performance indicators.

Charity Governance Code

Age UK supports the principles of the Charity Governance Code fully and we will continue to review our practice against the Code's requirements as part of an approach of continuous improvement of our governance arrangements, as the Code envisaged. In our current programme of trustee recruitment, we are retaining our emphasis on ensuring that the Board retains a balance of charitable and business skills and experience, whilst also looking to broaden the diversity of our trustees. We had intended to carry out an external board effectiveness review during this year, and still hope to do so, but have chosen to focus our efforts to date this year on our response to the coronavirus pandemic and to give a board effectiveness review lower priority than we otherwise would.

Board Committees

The Age UK Board has established several Committees to consider issues in greater depth and to advise the Board. All Committees are accountable to, and report to the Board, and have no decision-making authority. The Board, recognising its responsibilities, delegates decision making to Committees by exception.

The Board's principal governance-related Committees are as follows.

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Age UK Group Audit and Risk Committee

The Committee:

- Ensures that Age UK and its subsidiaries are identifying, recording, and managing risks effectively.
- Provides assurance to the Board of Trustees on Age UK's internal controls, including financial controls, and compliance with relevant law and regulation.
- Oversees the internal and external audit functions and timely production of Age UK's Annual Report and Accounts.
- Provides oversight of the risk management, internal controls, and compliance of Age UK's subsidiaries.

The Audit and Risk Committee's membership was a mix of trustees - Stuart Purdy (chair), Suzanna Taverne and John Norley (from September 2019) - and non-trustees - Jill Robinson (the chair of Age UK Enterprises Audit and Risk Committee) and Shona Spence as an independent member.

At its meetings during the year it particularly focused on:

- Transition to and first full year of new external auditors.
- Cybersecurity / technology related risk management.
- Operational resilience.
- Transition to new insurance brokers.
- Improvements to risk management processes and reporting.

Remuneration and Nominations Committee

The Committee:

- Reviews pension, employment, and remuneration policies.
- Determines the salary and appointment of the Chief Executive and the Executive Directors.
- Leads the process of Trustee appointments, including the appointment of the Chair of the Board of Trustees, Committee appointments and appointments to the Boards of Age UK's subsidiaries.
- Oversees Age UK's annual pay and performance review process.

The Committee's membership was Sharon Allen (chair), Sir Brian Pomeroy and David Hunter.

At its meetings during the year it particularly focused on:

- Concluding the appointment of a Chair of Age UK Enterprises.
- Enhancing the Board of Age UK Trading CIC through the addition of additional retail and technology skills.
- Developing and commencing an open and inclusive Trustee recruitment process.

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Strategic Finance Committee

The Committee:

- Supports the Age UK Board of Trustees in ensuring the financial stability and future growth of Age UK.
- Provides oversight of the Charity's finances and investments, financial strategy, objectives, plans and policies.
- Ensures strategic dialogue between Age UK and its subsidiaries.

The Committee's membership was David Hunter (chair), Sir Brian Pomeroy and Mike Dixon.

At its meetings during the year it particularly focused on:

- Simplification of the management and governance of the group's trading operations.
- Overseeing the introduction of a second investment manager.
- The group's property strategy.
- Liquidity forecasting and cash management.
- The group's pension schemes (including triennial valuation).

Age UK subsidiaries

The Age UK Group comprises Age UK, Age International and a number of other subsidiaries. Age UK's principal subsidiaries in 2019/2020 were:

Age International

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 1128267-8 and registered company number 07897113). It is the UK affiliate of the HelpAge International global network of organisations focused on ageing which has 148 members in 87 countries.

Age International is governed by a Board of eight Trustees, each of whom is eligible to serve up to three terms of three years. In 2019/20, the Chair of Age International was Ann Keeling and the Managing Director Chris Roles. More information can be found in Age International's Trustees Report 2019/20.

Age UK Trading CIC

Age UK Trading CIC is a Community Interest Company limited by shares (registered company number 1102972). In accordance with the company's Articles of Association, any surplus generated may be returned to Age UK, the sole member of the company, to use to benefit the community, in particular activities that are in furtherance of the Charity's objectives.

It operates our network of charity shops and carries on other retail activity - dealing in the sale of donated goods on behalf of Age UK and selling second hand goods on behalf of the general public as an agent, and generating income itself from the sale of new goods. For part of the year the company received income from the marketing and referral of customers to some of our commercial partners.

In 2019/20 its Board was a mix of non-executive directors who are Trustees - Mike Dixon (chair) and David Hunter (until March 2020), non-executive directors who are not Trustees -

Strategic Report

Helen Milford, Daniel Jacobs (both from July 2019) and Hussein Lalani (from October 2019), and executive directors - Vicki Thornton (from November 2019) and Tracey Bright.

Age UK Enterprises

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

It provides insurance services and other products designed for people in later life.

In 2019/20 its membership was a mix of non-executive directors - Chris Radford (chair, from August 2019, including as executive chair until February 2020), Stuart Purdy, Jill Robinson (interim Chair until July 2019) - and executive directors - Colin Greenhill (from February 2020), Doug Strachan (until August 2019) and Annette Petchey.

It has established an Audit and Risk Committee to ensure that the Board has the assurance it needs in relation to the company's risk management, compliance and internal controls. In 2019-2020 its membership was a mix of non-executive directors - Jill Robinson (chair) and Chris Radford (from August 2019) - and, on a short-term basis, an independent member - Shona Spence (until July 2019).

Age UK Lottery CICs

Age UK Local Programmes Lottery CIC, Age UK Information and Advice Lottery CIC, and Age UK Education and Research Lottery CIC are Community Interest Companies limited by guarantee (registered company numbers 11335613, 11335248 and 11372685 respectively) who run lotteries and raffles for community purposes.

In 2019/20 their Boards were a mix of non-executive directors - Sir Brian Pomeroy (chair) - and executive directors - Michael Cutbill, Laurie Boulton, and Pam Creaven.

The Silver Line

On 1 October 2019, The Silver Line, a Charity registered in England and Wales (registration 1147330) and Scotland (registration SCO44467) became a charitable subsidiary of Age UK. Age UK is its sole member (see page 24 for further details).

Age UK Suffolk

Age UK Suffolk (registered company number 04150543) became a subsidiary charity in February 2017 and Age UK is its sole member.

Age Cymru

Age Cymru (registered company number 06837284) became a subsidiary charity with effect from 1 October 2017 and Age UK is its sole member.

Trustees' duty to promote the success of the Charity - Section 172 statement

Trustees have a duty to promote the success of the Charity - in terms of achieving the charity's purposes - and, in doing so, are required by section 172(1) of the Companies Act 2006 to have regard to various specific factors, including:

- The likely consequences of decisions in the long term
- The interests of employees
- The need to foster the Charity's relationships with a range of other stakeholders
- The impact of the Charity's operations on the community and the environment
- The desirability of the Charity maintaining a reputation for high standards of business conduct

Pages 13 to 30 summarise the most significant steps taken to promote our purposes.

The Board has delegated day-to-day management and decision-making, within the framework of our long-term strategy which it has set, to the CEO and the executive team. The way in which that day-to-day management and decision-making is carried out is therefore an integral part of the way in which the trustees' duty is carried out, with the Board's assurance being bound up within the regular reports which it, and its committees, receive.

Examples of the way the factors listed in section 172 inform the discharge of the overall duty:

- Regular staff surveys on a wide range of issues, including most recently on staff experience of working practices and views on future ways of working in the context of the coronavirus pandemic.
- The use of a Services Sounding Board and a Policy Sounding Board made up of older people, to inform strategy development, decisions on development of our services and the public policy positions which the charity takes.
- A virtual panel (which is not limited to those who wish to engage digitally) with whom we consult on a wide range of issues - whose membership is boosted to include good representation of groups who are often less heard (e.g. those from a BAME background or from the LGBT community).
- Running the NHS England sounding board for older people which itself provides us with insights to inform our own work.
- Regular surveys and polling of our own community of 600,000 supporters and campaigners.
- Our engagement with local Age UK partners, drawing on their views and experience of the views and needs of older people; one of our Trustees is a co-chair of the Age England Association (see page 58) and brings that experience to every Board meeting.
- The standards we set ourselves through a wide range of policies and practices - for example: our values; the Age UK Quality Standards, which the whole Age UK network, including Age UK, is assessed against; codes of conduct for Trustees and Directors; policies that encourage staff to know they can speak up safely; and the Trading Principles at the heart of the commercial activities.
- Setting a clear risk appetite within which Age UK operates, covering a range of issues that include reputational risk.

Trustees, Executive Directors and Professional Advisers

Royal Patron

His Royal Highness the Prince of Wales

Trustees and Other Age UK Committee members

Trustees	ARC	RNC	SFC	EARC
Sharon Allen		•		
Anna Bradley (until May 2019)				
Mike Dixon			•	
David Hunter (until September 2020)		•	•	
Martin Jones (from March 2020)				
John Norley (from July 2019)	•			
Brian Pomeroy (Chair)		•	•	
Stuart Purdy	•			
Suzanna Taverne	•			
Nick Wilkinson (until June 2019)				

Other Age UK Committee Members	ARC	RNC	SFC	EARC
Jill Robinson	•			•
Shona Spence	•			<i>Interim</i>

ARC - denotes that the individual was a member of the Audit and Risk Committee for all or part of 2019/20

RNC - denotes that the individual was a member of the Remunerations and Nominations Committee for all or part of 2019/20

SFC - denotes that the individual was a member of the Strategic Finance Committee for all or part of 2019/20

EARC - denotes that the individual was a member of Age UK Enterprises Audit and Risk Committee for all or part of 2019/20

Executive directors

- Caroline Abrahams, Charity Director
- Laurie Boulton, Fundraising Director
- Tracey Bright, People, Performance and Retail Director and Interim CRM, Tech & Digital, Infosec Director (until October 2019)
- Pam Creaven, Services Director
- Stephanie Harland, Group Chief Executive
- Chris Roles, Managing Director of Age International
- Vicki Thornton, Chief Financial Officer (from November 2019)

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Professional advisers

Bankers

National Westminster Bank plc,
250 Bishopsgate, London EC2M 4AA

Internal auditors

BDO LLP, 55 Baker Street,
London W1U 7EU

External auditors

Crowe U.K. LLP, 55 Ludgate Hill
London, EC4M 7JW

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
Goldman Sachs International, Plumptre Court,
25 Shoe Lane, London EC4A 4AU

Age UK registered office

Tavis House, 1-6 Tavistock Square,
London WC1H 9NA

Further information

Age UK and its partners

Age UK, local Age UKs and Friends of local Age UKs are all members of the Age England Association, a body that supports us to work together effectively. Age UK has regular meetings with the Age England Association's Executive Committee.

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

Age UK grant-making policy

Through its grant-giving, Age UK supports our 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 from its own income.

Each application received for grant aid is rigorously assessed. All grant recipients are required to submit progress reports (normally quarterly or as defined by the specific programme). Most grants are for less than 12 months; where for a longer period, a full mid-term review is undertaken.

Environment

Age UK is a professional and environmentally aware organisation that acknowledges the impact that its operations may potentially have on the environment.

We aim to work towards environmental best practice and 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 potential adverse environmental impacts.
- Behaving in a considerate and socially responsible manner.
- Ensuring effective and expedient incident control, investigation, and reporting.

Age UK is reporting energy and carbon emissions in compliance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Age UK - SECR Report - 2019/2020			
Scope		2019-20 CO ₂ e t	% of total
1	Gas	157	7.93%
2	Electricity	1,297	65.52%
3	Transport	525	26.54%

Total 1,979 CO₂e t

We have calculated the bulk of emissions based on consumption per square metre of our property space. Petrol and diesel is a direct measurement of mileage. Age UK continues to monitor our carbon emissions and we have taken steps to reduce our carbon footprint and improve the energy efficiency of our properties, including the roll out of

Strategic Report

installing LED lighting in all of our shops and larger offices, and investing in a modern fleet of vans. Our ambition is to reduce our carbon emissions further over the next 12 months. In 2020/21, Age UK will be publishing an online energy behavioral learning module on our in-house learning and development portal which all shop managers will need to complete.

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 is aware of that information.

Public benefits reporting and plans

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 and Age UK meets the definition of a public benefit entity under FRS 102. In particular, the Trustees consider how planned activities contribute to meeting its objectives and how Age UK delivers its principal charitable activities - as set out in the Memorandum and Articles of Association (see page 50).

This includes: providing information and advice; delivering and transforming health and care services; delivering wellbeing programmes; supporting the Age UK network; campaigning and research; and working internationally and is demonstrated in the charitable activity sections on pages 13 to 30.

Statement of Trustees' responsibilities

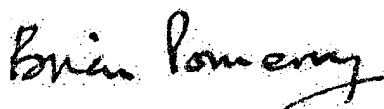
The Trustees (who are also Directors of Age UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 on 30 September 2020 and signed on its behalf by:



Sir Brian Pomeroy
Chair on 30 October 2020

Independent Auditor's Report to the Members of Age UK

Opinion

We have audited the financial statements of Age UK for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 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 United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Independent auditor's report

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- The information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- The parent company has not kept adequate accounting records; or
- The parent 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 60, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

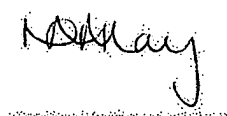
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola May
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
Date: 2nd December 2020

Financial statements
for the year ended 31 March 2020

Consolidated Statement of Financial Activities, incorporating income and expenditure accounts, for the year ended 31st March 2020

INCOME AND EXPENDITURE	Note	Unrestricted	Restricted and endowed £'000	2020 £'000	2019 £'000
INCOME FROM:					
Voluntary income					
Donations and gifts		9,099	4,377	13,476	12,358
Legacies		24,182	774	24,956	25,615
Grants, corporate and trusts		1,062	16,761	17,823	11,517
Lotteries and raffles		-	11,485	11,485	11,317
Total voluntary income		34,343	33,397	67,740	60,807
Trading activities					
Charity Shops		40,364	-	40,364	41,458
Financial Services		13,133	12	13,145	16,024
Independent Living Solutions		2,484	-	2,484	2,688
Other trading income		1,236	286	1,524	1,233
Total income from trading activities		57,217	300	57,517	61,403
Investment income and interest		939	79	1,018	1,398
Charitable activities					
Campaigning and research		55	-	55	111
Information and advice		58	-	58	120
Health & care		1,294	-	1,294	852
Wellbeing		975	16	991	772
Supporting the network		1,955	14	1,969	2,317
International		7	-	7	60
Total income from charitable activities		4,344	30	4,374	4,232
Other income					
Net (loss)/gain on disposal of fixed assets		(32)	-	(32)	(50)
Covid 19 retention scheme		336	-	336	-
TOTAL INCOME		97,147	33,806	130,953	127,790
EXPENDITURE ON:					
Cost of raising funds					
Cost of generating voluntary income	3a	(9,714)	(6,441)	(16,155)	(15,924)
Cost of generating trading income					
Cost of Charity Shops	3b	(42,401)	-	(42,401)	(40,761)
Cost of Financial Services		(12,737)	-	(12,737)	(12,603)
Cost of Independent Living Solutions		(1,450)	-	(1,450)	(2,343)
Other costs of raising funds		-	-	-	-
Total cost of generating trading income	3b	(56,588)	-	(56,588)	(55,708)
Total cost of raising funds		(66,302)	(6,441)	(72,743)	(71,632)
Net resources available for charitable activities	2	30,845	27,365	58,210	56,158
Charitable activities					
Campaigning and research		(5,191)	(8,853)	(14,054)	(8,678)
Information and advice		(4,940)	(2,788)	(7,728)	(9,322)
Health & care		(3,552)	(113)	(3,665)	(2,239)
Wellbeing		(8,010)	(4,080)	(12,090)	(11,453)
Supporting the network		(9,314)	(2,307)	(11,621)	(12,767)
International		(7,103)	(7,349)	(14,452)	(12,967)
Total expenditure on charitable activities	3c	(38,110)	(25,500)	(63,610)	(57,426)
TOTAL EXPENDITURE	3	(104,412)	(31,941)	(136,353)	(129,058)
Tax (payable)/credit		301	-	301	(387)
Net gains/(losses) on investments		(3,228)	(127)	(3,355)	3,104
NET INCOME/(EXPENDITURE)		(10,192)	1,738	(8,454)	1,449
Other recognised gains and losses					
Actuarial gains/(losses) on pension scheme	18	2,254	-	2,254	3,840
Gain/(loss) adjustment on sale of subsidiary	28a	(4)	-	(4)	69
Revaluation gains/(losses)	9	405	-	405	-
Goodwill written off upon acquiring control of subsidiary charity	28b	(61)	-	(61)	-
Transfers between funds		(939)	939	-	-
NET MOVEMENT IN FUNDS		(8,537)	2,677	(5,860)	5,358
Reconciliation of funds					
Total funds brought forward	16	43,984	13,459	57,443	52,085
Net movement in funds		(8,537)	2,677	(5,860)	5,358
Total funds carried forward		35,447	16,136	51,583	57,443

Age UK

Consolidated Balance Sheet

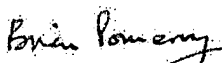
For the Year Ended 31 March 2020

		Group	Group	Charity	Charity
		2020	2019	2020	2019
	Note	£'000	£'000	£'000	£'000
Fixed assets :					
Tangible assets	8	11,016	11,825	10,890	11,737
Investments	9	59,381	68,821	62,881	68,821
Total fixed assets		70,397	80,646	73,771	80,558
Current assets					
Stock	10	541	499	-	-
Debtors	11	17,615	17,709	16,531	16,396
Cash at bank and in hand		5,864	5,701	2,303	1,928
Total current assets		24,020	23,909	18,834	18,324
Liabilities					
Creditors: Amounts falling due within one year	12	(21,790)	(22,530)	(30,399)	(23,580)
Net current assets / (liabilities)		2,230	1,379	(11,565)	(5,256)
Creditors: Amounts falling due after one year	13	(2,820)	(2,478)	(2,784)	(2,478)
Provisions for liabilities and charges	14	(10,977)	(9,857)	(9,890)	(9,269)
Net assets excluding pension liability		58,830	69,690	49,532	63,555
Defined benefit pension scheme liability	18	(7,247)	(12,247)	(7,205)	(11,934)
Net assets		51,583	57,443	42,327	51,621
Funds					
Endowment funds		2,548	2,597	2,548	2,597
Restricted funds		13,588	10,862	10,352	10,150
Total endowed and restricted funds	16	16,136	13,459	12,900	12,747
Investment property reserve		11,730	12,768	11,730	12,768
Other fixed assets		5,592	6,105	5,466	6,017
Fixed asset funds		17,322	18,873	17,196	18,785
General reserve - excluding pension liability		25,372	37,358	19,436	32,023
Pension reserve	18	(7,247)	(12,247)	(7,205)	(11,934)
General reserve	16	18,125	25,111	12,231	20,089
Total unrestricted funds	16	35,447	43,984	29,427	38,874
Total funds		51,583	57,443	42,327	51,621

The (deficit)/surplus in the year for the charity Age UK only was (£9,293,450) [2019: £1,187,000].

The accompanying notes on pages 68 to 94 form part of these financial statements.

The financial statements on pages 65 to 94 were approved by the Board of Trustees on 30 September 2020 and signed on its behalf on 30 October 2020 by:



Sir Brian Pomeroy
Chairman

Consolidated cash flow statement

For the Year Ended 31 March 2020

	Group 2020 £'000	Group 2019 £'000
Cash flows from operating activities		
Net income for the year	(5,860)	5,358
Adjustments for:		
Investment income and interest received	(1,018)	(1,398)
Depreciation and amortisation of fixed assets	2,995	3,456
(Gain)/loss on sale of fixed assets	32	51
Net loss/(gain) on investments	2,438	(3,104)
Present value of adjustment to finance leases	(4)	(2)
Actuarial (gain) on defined benefit pension scheme	(2,254)	(3,840)
(Gain)/loss on sale of subsidiary	(4)	(69)
	2,185	(4,906)
Decrease/(Increase) in stocks	(42)	119
(Increase) /Decrease in debtors	94	(1,278)
(Decrease) in creditors	(2,495)	(779)
(Decrease)/Increase in provisions	1,120	(1,850)
Difference between pension charge and cash contribution	(2,746)	(2,000)
	(4,069)	(5,788)
Net cash from operating activities	A (7,744)	(5,336)
Cash flows from investing activities	2020 £'000	2019 £'000
Capital expenditure and financial investment :		
Purchase of tangible fixed assets	(2,438)	(1,744)
Proceeds from sale of tangible fixed assets	9	713
Proceeds from sale of investment properties	1,698	976
Cash purchase of investments	(1,010)	(27,307)
Dividends received	1,012	1,392
Cash withdrawals from investments	6,316	29,794
Interest received in bank	6	6
Cash balance acquired with new subsidiary	95	-
Net cash inflow/(outflow) for capital expenditure and financial investment	5,688	3,830
Net cash from investing activities	B 5,688	3,830
Cash flows from financing activities	2020 £'000	2019 £'000
Returns on investment and servicing of finance :		
Proceeds from new loans	3,900	2,054
Repayments of borrowings	(2,001)	(1,392)
Proceeds from finance lease arrangements	418	-
Repayments of finance leases	(98)	(98)
Net cash from financing activities	C 2,219	564
Reconciliation of net cash flow to movement in net funds :	2020 £'000	2019 £'000
Net increase/(decrease) in cash in the period	A + B + C 163	(942)
Cash and cash equivalents at 1 April 2019	5,701	6,643
Cash and cash equivalents at 31 March 2020	5,864	5,701

The accompanying notes on pages 65 to 94 form part of these financial statements.

1 a) Accounting policies

The Charity is a company limited by guarantee, incorporated in England and Wales on 20 February 2009 and registered as a charity on 25 February 2009. The members of the company are the trustees, who are also ordinary members and named on page 56. 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

These Group and parent company financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included for a second time.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis with the exception of investments and investment properties which are stated at fair value.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1 (b).

The Charity presents its charitable activities under six headings which reflect how the different functions within the Charity work together to help more older people love later life.

Going concern

Age UK continues to prepare its financial statements on the basis that it is a going concern.

In doing so it has considered the impact of the coronavirus pandemic and the other business risks it faces and has put in place a number of actions to manage these. Details of the impact the pandemic has had on Age UK is laid out on pages 13-30.

The coronavirus outbreak led to the closure of Age UK's retail shops during lockdown which caused a significant loss of income as well as there being decreases across other normal income lines. This has resulted in our reserves falling to £25.4m, which is below our reserves policy to hold £30-£50, and we anticipate that these will continue to fall in 2020/21. In response to this, management undertook an urgent review of the retail estate resulting in the closure of 133 of our 392 shops, ceased all non-essential expenditure and utilised the Government's Job Retention Scheme, bringing in over £5.3m. We consulted with staff about making redundancies in retail, the charity, shared services, and Age Co to reduce costs. A further work programme has been started which seeks to make a number of other cost savings which will encompass short-and long-term cost savings. In addition, we launched our Emergency Coronavirus Appeal to ensure the continued delivery of our key services to older people and to support the local Age UK network, which have both seen unprecedented demand during the pandemic. This has raised £12.2m.

A robust three-year planning process has been carried out which looked at projected cash flows, sensitivities and reserves requirements over that period. This has resulted in a detailed recovery plan to ensure future financial sustainability and a return to meeting our reserves threshold of £30m by 2023/24.

Having considered the risks and uncertainties the Trustees have a reasonable expectation that Age UK will continue in operation for the foreseeable future and meet its liabilities as they fall due.

Basis of consolidation

The consolidated accounts of the Group incorporate the accounts of the Charity and its subsidiary undertakings.

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.

Income

All income is derived from services and activities carried out in the UK.

All income is included in the SOFA when the Charity is legally entitled to the income, when receipt of the income is probable 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 on a receivable basis. Lotteries and raffles income is recorded on the date of the draw.

Legacies are accounted for as income once the receipt of the legacy becomes probable and quantifiable and entitlement criteria are established. For pecuniary legacies this will generally be at the point probate is granted. For residuary legacies this will generally be when a copy of the will and an Assets and Liabilities Statement has been received from the executor and is subject to a provision of 20% to allow for the uncertainty of the final income value.

Grants receivable income, where related to performance and specific deliverables, 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.

1 a) Accounting policies (continued)**Income (continued)**

Gifts In Kind, where donated for distribution, 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 realised.

Where donated services and facilities are provided, these are included at the value to the Charity where this can be quantified. An equivalent amount is recognised in costs. The value placed on them is 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.

Trading income is accounted for on a receivable 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 has been accounted 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 the 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. These include such items as internal and external audit, legal advice for Trustees and costs associated with constitutional and statutory requirements.

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 4 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 SOFA.

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 are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets costing more than £5,000 are capitalised and included at cost including any incidental expenses of acquisition.

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

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 and maintaining their property. An actuarial valuation of the total cost of care for individuals who have gifted their house is made and the sum is included within provisions for liabilities and charges. Costs of care are charged to the provision as incurred (note 14). Any properties donated without ongoing care or maintenance commitments are not part of the scheme. Properties no longer qualifying as gifted housing become investment properties at that date. The provision for the cost of care meets the definition of an insurance contract as defined by FRS103. As permitted Age UK continues with its existing policy under FRS102 for measuring this liability. Further detail is provided in note 14.

1 a) Accounting policies (continued)

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 both 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 the balance sheet date. The SOFA includes the net gains and losses arising on revaluations in the year. The properties in the portfolio are revalued by a professional valuer at least every 3 years. Losses arising on revaluation of any property are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any gains arising on revaluation are recognised in other comprehensive income only where the group has discretion over the timing of the asset's disposal, thereby excluding gifted housing properties.

Leases

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases and are charged to the SOFA on a straight-line basis. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stock.

Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Pensions :**Defined contribution plans and other long term employee benefits**

A defined contribution plan is a post-employment benefit plan under which the Charity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the SOFA in the periods during which services are rendered by employees.

For defined contribution schemes the amount charged to the SOFA for 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.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans (and other long term employee benefits) is calculated (separately for each plan) by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

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

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.

1 a) Accounting policies (continued)

Funds :

Endowment funds

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

Restricted funds

Restricted funds are funds subject 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:

These funds represent the book value of fixed assets, including investment properties, after allowing for the gifted housing scheme donor support provision.

International funds:

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

Revaluation reserve:

This fund represents the change in value due to revaluation of property fixed assets.

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 FRS102 - Retirement benefits, the liability attributable to the pension schemes as set out in note 18 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 the Charity 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.

Transfers between restricted funds or between restricted and unrestricted funds are made to maintain the committed value of such funds.

1 b) Critical accounting estimates and judgements:

In preparing the financial statements the trustees are required to make certain estimates and judgements which have an impact on the carrying value of assets and liabilities. These estimates and assumptions are reviewed on an on-going basis, and are based on historical experience and other factors considered relevant at the time the estimates and judgements are made. The key sources of estimation uncertainty are:

- a) Defined benefit pension liability – Measurement requires a number of significant assumptions as disclosed in note 18.
- b) Residuary legacies – There is uncertainty in the value of residuary legacies recognised due to the time lapse between when probate has been granted and when the final distribution is made. An allowance of 20% (£2.3m) has been applied at 31 March 2020 (2019: £2.2m) to reflect this.
- c) Donor support provision – The Charity provides for future care costs and property maintenance related to its Gifted Housing. Where costs are incurred over a number of future periods provision calculations require a discount rate to bring them back to a present value. A rate of 5% has been applied (2019: 6%) based on historic and anticipated returns on investments. Every 1% reduction in the discount rate used increases the provision requirement by £173k. Further detail around the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amount and the effect of changes in assumptions used to measure this liability is provided in note 14.
- d) Insurance policy cancellations and lapses – Assumptions made relating to the early termination of contracts and the resulting provisions required.

Age UK

Consolidated statement of financial activities

For the Year Ended 31 March 2020

2	Net resources available for charitable activities	Income £'000	Expenditure £'000	2020 £'000	Income £'000	Expenditure £'000	2019 £'000
	Donations and gifts	13,476	(3,300)	10,176	12,359	(3,376)	8,982
	Legacies *	24,956	(4,024)	20,932	25,615	(3,768)	21,827
	Grants, corporate and trusts	17,823	(1,875)	15,948	11,517	(2,121)	9,395
	Lotteries and raffles	11,485	(6,855)	4,630	11,317	(6,639)	4,678
	Total fundraising	67,740	(16,155)	51,585	60,807	(15,924)	44,882
	Income from charitable activities	4,374		4,374	4,232		4,232
	Net income from trading (i)	929		919	5,635		5,635
	Investment income and interest	1,018		1,018	1,338		1,338
	Net (loss)/gain on disposal of fixed assets	(32)		(32)	(50)		(50)
	CoAid 19 job retention scheme	336		336			-
	Net resources available for charitable activities	74,365	(16,155)	58,210	72,082	(15,924)	56,158
	Total charitable expenditure			(63,619)			(57,416)
	% of income available for charitable activities			78%			78%
	% of income spent on charitable activity			109%			102%
	% of fundraising income available for charitable activities			76%			74%
	(i) Trading analysis	57,517	(56,588)	829	61,403	(55,708)	5,695

* An amount of £7,067,766 (2019 £10,950,752) has not been accrued for legacy income because it did not meet all the conditions for recognition. These are amounts where notification has been received but the executors have yet to establish that there are sufficient assets in the estate after settling any liabilities, to pay the legacy.

3 Expenditure

	Direct costs of activities £'000	Grant funding of activities £'000	Allocation of support costs £'000	2020 £'000	2019 £'000
Costs of generating funds :					
(a) Costs of generating voluntary income					
Donations and gifts	2,824	-	476	3,300	3,376
Legacies	3,554	-	470	4,024	3,768
Grants	1,506	-	469	1,975	2,121
Lotteries and raffles	6,457	-	389	6,855	6,639
	14,341	-	1,814	16,133	15,924
(b) Costs of generating trading income :					
Retail	39,141	-	3,260	42,401	40,763
Financial services	11,541	-	1,196	12,737	12,603
At Home	1,311	-	235	1,450	2,342
	51,933	-	4,695	56,588	55,708
(c) Charitable activities :					
Campaigns & research	12,762	33	1,259	14,054	8,678
Information & advice	5,832	623	1,273	7,728	9,322
Health & Care	2,445	75	1,145	3,665	2,239
Wellbeing	8,569	2,330	1,191	12,090	11,453
Supporting the network	5,595	4,537	1,489	11,621	12,767
International	1,241	12,263	948	14,452	12,967
	36,444	19,891	7,305	63,610	57,426
Total expenditure	102,678	19,891	13,814	126,353	129,058

Age UK

Notes to the financial statements

For the Year Ended 31 March 2020

4 Support Costs

	Directorate £'000	Finance & legal £'000	Office management £'000	IT £'000	Human resources £'000	2020 Total £'000	Directorate £'000	Finance & legal £'000	Office management £'000	IT £'000	Human resources £'000	2019 Total £'000
Costs of generating funds												
Costs of generating voluntary income:												
Donations and gifts	20	150	88	155	47	460	22	109	97	102	57	377
Legacies	20	132	87	154	46	439	22	116	89	102	58	386
Lotteries and raffles	8	233	48	74	9	370	8	117	22	46	8	203
Grants	20	138	87	154	47	447	23	147	80	103	59	421
	68	654	310	537	149	1,718	76	489	287	353	182	1,387
Activities for generating trading funds:												
Retail	171	578	188	460	1,718	3,117	147	600	207	378	1,785	3,127
Financial Services	62	367	212	393	102	1,136	73	502	283	337	131	1,326
Independent Living Solutions	5	122	18	70	8	223	12	169	17	48	10	256
Other trading costs	-	-	-	-	-	-	-	-	-	-	-	-
	238	1,068	418	823	1,828	4,476	232	1,271	507	763	1,836	4,708
Charitable activities:												
Campaigns & research	63	157	331	401	262	1,214	80	331	523	428	677	2,040
Information & advice	62	183	327	387	258	1,227	71	324	459	376	591	1,821
Health & care	58	148	287	361	235	1,100	12	53	75	61	95	296
Wellbeing	59	156	310	378	245	1,148	37	185	238	185	307	942
Supporting the network	59	448	311	378	248	1,444	31	284	200	163	256	944
International	89	188	85	436	114	902	32	128	81	188	85	455
	370	1,282	1,871	2,350	1,350	7,023	265	1,285	1,558	1,383	1,881	5,488
Governance costs	62	276	70	117	54	589	22	135	17	43	17	234
Total support costs	736	3,280	2,469	3,827	3,402	13,814	583	3,180	2,387	2,552	4,126	12,828

Cost allocation includes an element of judgement and the Charity has had to consider the cost benefit of detailed calculations and record keeping. Costs are allocated directly where possible and calculations have been made on a consistent basis year on year.

Central support costs are allocated as follows:

- Directorate: Estimated staff time and allocation based on headcount.
- Finance and legal: Estimated staff time.
- Office management: Floor space used and headcount.
- IT: Headcount.
- Human resources: Headcount.

Governance costs are made up of the following:

	2020 Total £'000	2019 Total £'000
Internal Audit	128	86
External Audit	170	180
Trustees' expenses	1	2
Trustees' indemnity insurance	7	12
Trustees' conference & meeting costs	0	0
Apportionment of Directors' cost (Based on time spent)	4	5
Other governance costs	289	173
	699	438
Element contained within support costs	589	234
Other governance costs	11	204
	600	438

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5 Staff costs and staff numbers

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Salaries and wages	39,468	37,836	9,271	8,398
Social security costs	3,069	2,969	857	800
Pension costs	3,715	4,034	1,576	2,150
	46,252	44,839	11,704	11,348

Total redundancy cost for 2020 was £1,377,084 for the Group (2019: £500,580) and £145,324 for the Charity (2019: £Nil).

Termination payments are comprised of voluntary and compulsory redundancy and also settlement scheme

Unpaid redundancy at the balance sheet date was £296,495 (2019: £20,000)

At 31 March 2020 there are 1,769 staff members in the defined contribution schemes (2019: 1,806 members). Employers' contribution to the scheme totalled £4,130,277 in the year (2019: £3,643,265).

The average monthly headcount was 1,924 (2019: 2,002).

The average number of employees, calculated on a full time equivalent (FTE) basis was:

	Group 2020	Group 2019
Age UK Charity	282	233
Subsidiary Charities	136	120
Trading companies	1,101	1,115
	1,519	1,468

Some employees within the Age UK Trading companies provide support services to the Group, including the Charity.

Number of staff receiving remuneration above £60,000	Charitable activities 2020	Trading activities 2020	Total Group 2020	Charitable activities 2019	Trading activities 2019	Total Group 2019
£60,000 - £70,000	20.0	10.0	30.0	7.0	6.0	13.0
£70,001 - £80,000	3.8	5.2	9.0	3.7	4.3	8.0
£80,001 - £90,000	2.1	3.9	6.0	3.8	5.2	9.0
£90,001 - £100,000	2.2	3.8	6.0	5.0	2.0	7.0
£100,001 - £110,000	3.0	2.0	5.0	-	2.0	2.0
£110,001 - £120,000	-	1.0	1.0	0.2	1.8	2.0
£120,001 - £130,000	0.2	0.8	1.0	0.8	0.2	1.0
£130,001 - £140,000	-	-	-	-	-	-
£140,001 - £150,000	0.5	0.5	1.0	1.0	2.0	3.0
£150,001 - £160,000	-	-	-	-	-	-
£160,001 - £170,000	-	-	-	-	-	-
£170,001 - £180,000	0.3	0.7	1.0	-	-	-
£180,001 - £190,000	-	1.0	1.0	-	-	-
Total banded employees	32.1	28.9	61.0	21.5	23.5	45.0

There are a number of staff in Age UK who provide support to both the charitable and trading activities of the Group. These staff are employed by Age UK Trading CIC. 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 trading activities of the Group.

The two columns on the left-hand side of the above table give a breakdown of how the time of the 61 staff who received more than £60,000 in 2020 (2019: 45) was divided between the charitable and commercial activities of the Group.

5 Staff costs and staff numbers (continued)

Of the 10 staff who were paid more than £100,000, 60% of their time was spent on the trading activities of the Group, generating profits available to the charity.

There were payments for redundancies or loss of office of £247,576 (2019: £167,875) to staff receiving remuneration of over £60,000.

Remuneration in respect of key management personnel

Key management personnel for the Group have been determined to be the Executive Directors and the Trustees (see page 56)

There were 7 Executive Directors who served in the year (2019: 8).

Remuneration in respect of Executive Directors including pension costs and employer national insurance was £880,608 of which £81,254 was employers' national insurance contributions (2019: £1,139,842 of which £99,311 was employers' national insurance contributions)

6 Trustee emoluments

The Trustees received no remuneration for their services to the Charity. One Trustee, Mr S E Purdy, received a Director's fee of £20,000 from Age UK Enterprises for his services as a Non-Executive Director of that business, which is a subsidiary company of Age UK. Mr Purdy has served as a Director of Age UK Enterprises since April 2016. Age UK Enterprises is regulated by the Financial Conduct Authority and Mr Purdy has significant financial services experience. In February 2018, Mr Purdy was also appointed as a Trustee of Age UK and Chair of its Audit and Risk Committee. He received no remuneration for his service in either of these two roles. The aggregated amount of expenses reimbursed to 5 Trustees during the year was £899 (2019: £2,213, 3 Trustees).

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

Indemnity insurance is provided for Trustees. Premiums paid during the year amounted to £7,293 (2019: £11,740).

7 Net income

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation & amortisation of tangible and intangible fixed assets	2,995	3,453
Trustees' indemnity insurance	7	12
Trustees' reimbursed expenses	1	2
Interest payable	159	63
External Auditor's remuneration		
Audit of these financial statements	59	75
Audit of subsidiary companies	111	85
Tax compliance	50	35
Operating lease rentals – buildings	8,641	7,363
Operating lease rentals – other	363	424

8 Tangible fixed assets

Group

	Freehold and long-leasehold £'000	Gifted Housing £'000	Short leasehold £'000	Motor Vehicles £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost						
Balance brought forward	944	6,269	14,969	64	12,877	35,123
Acquired with new subsidiary	-	-	-	-	185	185
Additions in year	-	-	1,628	-	810	2,438
Disposals in year	(730)	-	(3,909)	(64)	(1,184)	(5,887)
Reclassified as investment property	-	(310)	-	-	-	(310)
At 31 March 2020	214	5,959	12,688	-	12,688	31,549
Depreciation						
Balance brought forward	(837)	(542)	(11,677)	(64)	(10,178)	(23,298)
Acquired with new subsidiary	-	-	-	-	(118)	(118)
Charge for the year	-	(95)	(926)	-	(1,974)	(2,995)
Disposals in year	693	-	3,909	64	1,180	5,846
Reclassified as investment property	-	32	-	-	-	32
At 31 March 2020	(144)	(605)	(8,694)	-	(11,090)	(20,533)
Net book value						
At 31 March 2020	70	5,354	3,994	-	1,598	11,016
Net book value						
At 31 March 2019	107	5,727	3,292	-	2,699	11,825

The Charity

	Freehold and long-leasehold £'000	Gifted Housing £'000	Short leasehold £'000	Motor Vehicles £'000	Equipment, fixtures and fittings £'000	Total £'000
Cost						
Balance brought forward	72	6,269	14,969	-	11,323	32,633
Additions in year	-	-	1,628	-	777	2,405
Disposals in year	-	-	(3,909)	-	-	(3,909)
Reclassified as investment property	-	(310)	-	-	-	(310)
Net book value	72	5,959	12,688	-	12,100	30,819
Depreciation						
Balance brought forward	(6)	(543)	(11,677)	-	(8,670)	(20,896)
Charge for the year	(1)	(94)	(926)	-	(1,953)	(2,974)
Disposals in year	-	-	3,909	-	-	3,909
Reclassified as investment property	-	32	-	-	-	32
At 31 March 2020	(7)	(605)	(8,694)	-	(10,623)	(19,929)
Net book value						
At 31 March 2020	65	5,354	3,994	-	1,477	10,890
Net book value						
At 31 March 2019	66	5,726	3,292	-	2,653	11,737

Notes:

The net book value of fixed assets acquired with the take-on of The Silver Line Helpline in the year was £67,296 (all equipment, fixtures and fittings)

8 Tangible fixed assets (continued)**Depreciation charge for the year for leased assets**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Depreciation charge for the year	-	-	-	-
Net Book value	-	-	-	-

The net book value of freehold and long-leasehold properties comprises :**Fixed Assets building value**

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Freehold interest, including gifted housing	3,957	3,403	3,952	3,361
Long leaseholds	-	-	-	-
	<u>3,957</u>	<u>3,403</u>	<u>3,952</u>	<u>3,361</u>

Fixed Assets land value

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Freehold interest, including gifted housing	<u>1,467</u>	<u>2,431</u>	<u>1,467</u>	<u>2,431</u>

9 Investments

	Listed and Unlisted Investments £'000	Investment Property £'000	Group £'000	Charity £'000
Market value at 1 April 2019	56,054	12,767	68,821	68,821
Additions	1,010	-	1,010	4,510
Transfer from Fixed Assets	-	278	278	278
Disposals	(6,316)	(1,720)	(8,036)	(8,036)
Realised gain on disposals	892	22	914	914
Unrealised revaluation gain	(3,989)	383	(3,606)	(3,606)
Market value at 31 March 2020	47,651	11,730	59,381	62,881
Historic value at 31 March 2020	61,909	11,347	63,256	66,756

Investment properties are properties donated to Age UK through the Gifted Housing programme or received as a legacy. When these properties are retained by the Charity instead of being sold they are classified as investment properties. As these properties are acquired at a nil cost to the organisation they do not carry a historic value. The investment property of the Charity was last valued in March 2020.

Listed and Unlisted Investments comprise the following:

		2020 £'000	2019 £'000
Sarasin & Partners Long and Short Term Investments:			
Listed Investments	- Fixed Interest	4,286	5,972
	- Global Equities	10,709	15,784
	- Alternative Assets	3,329	4,090
		<u>18,324</u>	<u>25,846</u>
Unlisted Investments	- Liquid Assets	4,336	974
Total Sarasin long term investments		<u>22,660</u>	<u>26,820</u>
Goldman Sachs Investment Management Long Term Investments:			
Listed Investments	- Fixed Interest	6,518	9,520
	- Global Equities	9,418	12,973
	- Alternative Assets	2,608	4,124
		<u>18,544</u>	<u>26,617</u>
Unlisted Investments	- Liquid Assets	4,091	134
Total Goldman Sachs long term investments		<u>22,635</u>	<u>26,752</u>
Endowment Funds:			
Sarasin & Partners	- Fixed Interest	316	337
	- Global Equities	1,551	1,641
	- Alternative Assets	289	317
		<u>2,156</u>	<u>2,295</u>
Unlisted Investments	- Liquid Assets	130	120
Total Sarasin Endowment Fund investments		<u>2,286</u>	<u>2,415</u>
Other listed investments:	- Other Investments	70	68
Total value of Listed and Unlisted investments		47,651	56,054
Total value of Listed investments		39,094	54,826
Total value of Unlisted Investments		8,557	1,228

9 Investments (Continued)

Age UK has the following subsidiary charities and trading companies:

Subsidiary undertaking	Principal activities	31 March 2020	31 March 2019	Company or Charity registration no.
		Ownership %		
<u>Trading subsidiaries:</u>				
Subsidiaries of Age UK				
HelpAge International UK	To raise funds for, and carry out Age UK's international charitable work	100	100	07897113
Age UK Trading CIC	To carry out trading activities to generate funds for Age UK.	100	100	01102972
Age UK Enterprises Ltd *	Insurance and other services for older people	100	-	03156159
Age UK Suffolk	To raise funds and carry out charitable activities within the Suffolk region	100	100	04150543
Age Cymru	To raise funds and carry out charitable activities within Wales	100	100	06837284
Age UK Local Programmes Lottery CIC	To raise funds through lotteries	100	100	11335613
Age UK Information and Advice Lottery CIC	To raise funds through lotteries	100	100	11335248
Age UK Education and Research Lottery CIC	To raise funds through lotteries	100	100	11372685
The Silver Line Helpline	To raise funds for the dedicated support line for the elderly.	100	-	01147330
Subsidiaries of Age UK Trading CIC				
Age UK Enterprises Ltd *	Insurance and other services for older people	-	100	03156159
Subsidiaries of Age UK Enterprises Ltd				
Age Concern Funeral Services Ltd	Non-trading company	100	100	02804368
Subsidiaries of Age UK Suffolk				
Age UK Suffolk Trading Limited	Trading subsidiary to generate funds for Age UK Suffolk	100	100	03052822
Subsidiaries of Age Cymru				
Age Cymru Enterprises Limited	Trading subsidiary to generate funds for Age Cymru	100	100	06776928
* Note: Ownership of (99.9995% of) Age UK Enterprises Ltd equity was transferred from Age UK Trading CIC to Age UK in the year.				
<u>Non trading subsidiaries:</u>				
Subsidiaries of Age UK				
Help the Aged	Residential care activities for the elderly & disabled	100	100	01263446
Subsidiaries of Age UK Trading CIC				
Age Concern Holdings Ltd	Non-trading company	100	100	01102971
Age Cymru Retail Ltd	Retail sale of other second-hand goods in stores	100	100	08010768
Subsidiaries of Age Concern Holdings Ltd				
Age Care and Leisure Services Ltd	Non-trading company	100	100	02716181
Age Concern Enterprises (Cymru) Ltd	Non-trading company	100	100	05744511
Age Concern Enterprises Ltd	Non-trading company	100	100	06776957
Age Concern Financial Partnerships Ltd	Non-trading company	100	100	03819694
Age Concern Financial Solutions Ltd	Other business support service activities not elsewhere classified	100	100	05260600
Age Concern Insurance Services Ltd	Non-trading company	100	100	02035367
Age Concern Ltd	Dormant Company	100	100	05425966
Age Concern Partnership Wales Ltd	Non-trading company	100	100	07471664
Age Concern Trading Ltd	Dormant Company	100	100	05522083
Age Concern Trust Corporation	Non-trading company	100	100	02647188
Age UK Services Ltd	Other service activities not elsewhere classified	100	100	06838416
Help the Aged Mail Order Ltd	Non-trading company	100	100	00893588
Help the Aged Trading Ltd	Non-trading company	100	100	02444170
Intune Group Ltd	Non-trading company	100	100	02489376
RIA Trading Ltd	Non-trading company	100	100	03063659
Subsidiaries of Age UK Suffolk				
Voluntree Limited	Non-trading company	100	100	07993376
Subsidiary of Age Cymru				
Age Cymru Trading Limited	Other retail sale not in stores, stalls or markets	100	100	08011995
Wales Council on Ageing	Linked charity - also known as Age Concern Cymru	100	100	1128436-1
Subsidiary of Intune group Ltd				
intune Financial Services Ltd	Company is dormant	100	100	05989153
intune Services Ltd	Company is dormant	100	100	05989143
Subsidiary of Help the Aged Mail Order Ltd				
Age UK Holidays	Company is dormant	100	100	03218466
HtA Solutions Ltd	Company is dormant	100	100	03172472
Subsidiary of The Silver Line Helpline				
The Silver Line Helpline Enterprises Limited	Non-trading company	100	-	09190099

All the subsidiary trading companies gift aid their taxable profits to the Charity.

10	Stock	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
	Finished goods and goods for resale	<u>541</u>	<u>499</u>	<u>-</u>	<u>-</u>
		<u>541</u>	<u>499</u>	<u>-</u>	<u>-</u>

The amount of stock recognised as an expense in the income and expenditure account for the year was £1,864,553 (2019: £1,619,894)

11	Debtors	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
	Trade debtors	1,980	2,918	518	1,260
	Amounts due from group undertakings	-	-	2,599	2,203
	Other debtors	915	892	470	594
	Prepayments and accrued income	<u>14,720</u>	<u>13,899</u>	<u>12,944</u>	<u>12,339</u>
		<u>17,615</u>	<u>17,709</u>	<u>16,531</u>	<u>16,396</u>

12 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	(4,076)	(3,338)	(3,945)	(3,273)
Amounts due to group undertakings	-	-	(13,726)	(7,192)
Tax and social security payable	(1,192)	(1,423)	(1,104)	(976)
Other creditors	(624)	(540)	(479)	(408)
Loans	(6,650)	(4,851)	(6,650)	(4,851)
Finance lease obligations	(188)	(111)	(170)	(111)
Grant accruals	(1,268)	(3,853)	(383)	(3,289)
Accruals and deferred income	(7,792)	(8,414)	(3,942)	(3,480)
	<u>(21,790)</u>	<u>(22,530)</u>	<u>(30,399)</u>	<u>(23,580)</u>

The movements in deferred income are analysed as follows:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income at 1 April	(2,493)	(1,679)	(68)	(3)
Amounts released from previous years	2,493	1,679	68	3
Incoming resources deferred in the year	<u>(2,493)</u>	<u>(2,493)</u>	<u>(42)</u>	<u>(68)</u>
Deferred income at 31 March	<u>(2,493)</u>	<u>(2,493)</u>	<u>(42)</u>	<u>(68)</u>

Deferred income as at 31 March 2020 is mainly made up of the following items: sales of lottery tickets for future draws £1,241,921 (2019: £1,408,765); insurance commission paid in advance £875,127 (2019: £732,866)

13 Creditors: amounts falling due after one year

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Loans payable after one year	(1,576)	(1,476)	(1,576)	(1,476)
Other creditors after one year	-	(1)	-	(1)
Finance leases after one year	(318)	(75)	(282)	(75)
Rent free period after one year	(926)	(926)	(926)	(926)
Deferred income after one year	-	-	-	-
	<u>(2,820)</u>	<u>(2,478)</u>	<u>(2,784)</u>	<u>(2,478)</u>

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Creditors due after one year:				
1-2 years	(2,202)	(1,413)	(2,179)	(1,413)
2-5 years	(618)	(1,064)	(605)	(1,064)
Over 5 years	-	(1)	-	(1)
	<u>(2,820)</u>	<u>(2,478)</u>	<u>(2,784)</u>	<u>(2,478)</u>

As at 31 March 2020 finance lease obligations due within one year were £170,484 and those due within 1-2 years were £159,746

14 Provisions for liabilities and charges

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Provisions at 1 April	(9,857)	(11,707)	(9,269)	(8,112)
Utilised in the year	580	2,259	549	1,556
Charged to statement of financial activities	(1,700)	(409)	(1,170)	(2,713)
Provisions at 31 March	<u>(10,977)</u>	<u>(9,857)</u>	<u>(9,890)</u>	<u>(9,269)</u>

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Provisions due within one year	(2,423)	(2,233)	(1,336)	(1,645)
Provisions due after more than one year	<u>(8,554)</u>	<u>(7,624)</u>	<u>(8,554)</u>	<u>(7,624)</u>
	<u>(10,977)</u>	<u>(9,857)</u>	<u>(9,890)</u>	<u>(9,269)</u>

The provision for liabilities and charges as at 31 March 2020 is 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 £5,423,998 (2019: £5,719,821). The provision is based on the estimated future cash flows to be incurred in settling the liabilities of the gifted housing scheme. Key assumptions relate to the inflationary cost applied to cost assumptions, expectancy and discount rate.

The following table details the effect of a change in each of these assumptions $\pm 1\%$:

Assumption	Change	Movement on provision	
		1.00%	-1.00%
Discount rate	$\pm 1.0\%$ on Discount rate	(161,790)	173,276
Annual costs	$\pm 1.0\%$ on annual cost rate	66,367	(110,283)
Life expectancy	Mortality rate ± 1 per year	(908,634)	1,206,114

- Insurance policy cancellations and lapses £337,845 (2019: £210,573). This expense will be incurred in FY 20/21.
- Retail gift aid provision £3,034 (2019: £2,607). Expense will be incurred in the course of FY 20/21.
- Holiday pay provision £1,024,609 (2019: £887,420).
- Provision for dilapidations work across the retail estate £2,472,902 (2019: £2,000,264).
- Retail estate onerous contracts £439,513 (2019: £107,698). This expense will be incurred in FY 20/21.
- Redundancy provision for the Retail estate £27,917 (2019: £20,001). This expense will be incurred in FY 20/21.
- Cost associated with the closure of 'The Wireless' digital radio station £657,470 (2019: £681,470). The provision will be settled in the period to November 2023.
- Claritas supporting the existing customer base £27,374 following their entering administration (2019: £47,000). This expense will be incurred in FY 20/21.
- Provision for TAM closure £512,829. Expense to be incurred in FY 20/21.

15 Financial instruments

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Assets - amortised	20,226	19,316	16,703	14,905
Assets at fair value	47,651	56,053	47,651	56,053
Liabilities - amortised	(22,349)	(21,510)	(32,354)	(24,615)

The company holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits and debtors excluding prepayments.

Financial assets held at fair value include investments.

Financial liabilities held at amortised cost comprise short and long term creditors excluding deferred income and taxation payable.

For the Year Ended 31 March 2020
Note 16 Movement in funds

For the Year Ended 31 March 2020												
Note 16 Movement in funds												
The Group		2019					2020 (E)					31 March 2020 (E)
		1 April 2018	Income	Expenditure	Other gains and losses	Transfers (D)	31 March 2019	Income	Expenditure	Other gains and losses	Transfers (D)	
		£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000		£'000
Endowed funds												
	(A)	1,053	-	-	87	-	1,120	36	-	(52)	-	1,104
	(A)	1,160	-	-	74	-	1,234	40	-	(58)	-	1,216
	(A)	186	-	-	7	-	193	3	-	(18)	-	178
ACE Legacy Endowment Fund		50	-	-	-	-	50	-	-	-	-	50
Total endowed funds		2,449	-	-	148	-	2,597	79	-	(128)	-	2,548
Restricted funds United Kingdom												
Campaigning and research		101	349	(316)	-	(74)	60	7,745	(8,663)	-	-	1,176
Information and Advice		780	4,109	(3,559)	-	(281)	1,049	4,595	(2,788)	-	(1,569)	1,287
Wellbeing		2,053	5,538	(5,257)	-	(122)	2,212	6,831	(4,193)	-	(3,209)	1,641
Supporting the network		3,212	1,856	(1,561)	-	13	3,522	5,855	(2,307)	1	(2,634)	4,437
Total Charitable Activities UK							6,843	25,026	(18,151)	1	(5,178)	8,541
Cost of generating voluntary income							-	-	(6,441)	-	6,441	-
Total United Kingdom	(B)	6,146	11,854	(10,693)	-	(464)	6,843	25,026	(24,592)	1	1,263	8,541
International												
Development		2,386	6,140	(4,658)	-	(1,244)	2,624	8,041	(6,812)	-	(14)	3,839
Emergency relief		178	762	(906)	-	-	34	186	(184)	-	3	39
Other International Projects		2,072	946	(849)	-	(808)	1,351	474	(353)	-	(313)	1,169
Total International	(C)	4,636	7,848	(6,413)	-	(2,052)	4,019	8,701	(7,349)	-	(324)	5,047
Total restricted funds		10,782	19,702	(17,106)	-	(2,516)	10,862	33,727	(31,941)	1	939	13,588
Total restricted and endowed funds		13,231	19,702	(17,106)	148	(2,516)	13,459	33,806	(31,941)	(127)	939	16,136
Unrestricted Funds												
Fixed asset funds		9,365	-	-	-	(3,260)	6,105	-	-	-	(513)	5,592
Investment property reserve		12,333	-	-	-	434	12,768	-	-	-	(1,038)	11,730
General Funds		34,580	83,063	(60,163)	3,033	1,788	32,303	65,335	(74,392)	(2,587)	(8,521)	14,138
Non-Charitable Trading Funds		663	25,016	(20,594)	-	(29)	5,055	31,812	(29,137)	-	3,504	11,234
Unrestricted Funds excluding Pension Reserve		56,941	108,079	(110,757)	3,033	(1,067)	56,231	87,147	(103,528)	(2,587)	(4,568)	42,694
Pension Reserve		(18,087)	-	(1,583)	3,840	3,583	(12,247)	-	(883)	2,254	3,629	(7,247)
Total funds		52,085	127,781	(128,446)	7,021	-	57,443	130,953	(136,353)	(460)	-	51,583

Age UK the Charity		2019					2020 (E)					
		1 April 2018	Income	Expenditure	Other gains and losses	Transfers	31 March 2019	Income	Expenditure	Other gains and losses	Transfers	31 March 2020
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowed funds												
	(A)	1,053	-	-	87	-	1,120	36	-	(52)	-	1,104
	(A)	1,160	-	-	74	-	1,234	40	-	(58)	-	1,216
	(A)	186	-	-	7	-	193	3	-	(18)	-	178
ACE Legacy Endowment Fund		50	-	-	-	-	50	-	-	-	-	50
Total Endowed Funds		2,449	-	-	148	-	2,597	79	-	(128)	-	2,548
Restricted Funds United Kingdom												
Campaigning and research		60	88	(58)	-	(81)	9	7,431	(6,645)	-	313	1,108
Information and Advice		779	3,788	(3,247)	-	(281)	1,039	4,354	(4,760)	-	600	1,233
Wellbeing		1,740	4,750	(4,378)	-	(108)	2,004	5,900	(6,522)	-	(268)	1,114
Supporting the network		3,103	1,721	(1,429)	-	(13)	3,382	5,780	(4,531)	-	(978)	3,663
Total United Kingdom		(B) 5,682	10,349	(8,113)	-	(484)	6,434	23,475	(22,458)	-	(333)	7,118
International												
Development		2,343	1,779	(1,786)	-	-	2,336	1,480	(1,696)	-	(8)	2,122
Emergency relief		173	205	(356)	-	-	23	136	(136)	-	8	31
Other International Projects		2,072	52	(767)	-	-	1,357	402	(678)	-	-	1,081
Total International		(C) 4,589	2,036	(2,909)	-	-	3,716	2,028	(2,510)	-	-	3,234
Total Restricted Funds		10,271	12,385	(12,021)	-	(484)	10,150	25,503	(24,968)	-	(333)	10,352
Total Restricted and Endowed Funds		12,720	12,385	(12,021)	148	(484)	12,747	25,582	(24,968)	(128)	(333)	12,900
Unrestricted Funds												
Fixed asset funds		8,529	-	-	-	(2,512)	6,017	-	-	-	(551)	5,466
Investment property reserve		12,333	-	-	-	435	12,768	-	-	-	(1,038)	11,730
General Funds		34,497	72,318	(76,970)	3,033	(855)	32,023	63,317	(71,636)	(2,723)	(1,545)	19,436
Unrestricted Funds excluding Pension Reserve		55,359	72,318	(76,970)	3,033	(2,932)	50,808	63,317	(71,636)	(2,723)	(3,134)	36,632
Pension Reserve		(17,480)	-	(1,522)	3,622	3,446	(11,934)	-	(845)	2,108	3,467	(7,205)
Total funds		50,599	84,703	(80,513)	6,803	30	51,621	88,899	(97,450)	(743)	-	42,327

Note 16 Movement in funds (continued)

Statement of Financial Activities											
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Note:

A: The Age UK Endowment Funds – CE Saunders, Edna Lipson and the Gillingham Fund – are funds which were originally gifted to Age UK and are allowed to be invested in a strategy designed to create income, all of which is paid to Age UK, but where the actual principal gift cannot be touched or realised to cash and spent by Age UK.

B: Consistent with the charity's primary activities asset out in the annual report.

C: Consistent with the charity's primary activities asset out in the annual report and mainly comprised of emergency relief and rehabilitation and development projects.

D: The transfer of restricted funds to unrestricted funds in the year represents the release of surplus balances where the donor's conditions for the use of the income have been met.

E: Selected funds with closing balances greater than £200k at 31 March 2019 include:

Information and advice funds:

Homelessness Protecting Older People: Supporting older people who are homeless or threatened with homelessness. £256k

Later Life Goals (Masonic Trust): Tackling loneliness, disadvantage and financial hardship for 10,000 older people. £360k

Wellbeing funds:

Senior Safety Elder Abuse: For the prevention of, or protection from, abuse against the elderly. £441k

The Covid-19 Emergency Fund: Funds raised to alleviate hardship arising from the novel coronavirus pandemic. £837k

Support the network and other funds:

The Craig & Jill Thomas Fund: Fund name prescribed. Funds solely for the specific project(s) and not for general administrative costs. £663k

International funds:

Legacy Estate of Mrs Harvey: Relief of diseases/optthalmic problems for the elderly poor in Africa or Asia, excluding HIV, Aids and pandemic infections. £1,027k

17 Analysis of group and charity net assets between funds

The Group

	2020			2019		
	Unrestricted	Restricted and	Total	Unrestricted	Restricted and	Total
	£'000	Endowed	£'000	£'000	Endowed	£'000
Fixed Assets						
Tangible fixed assets	11,016	-	11,016	11,825	-	11,825
Investments	57,085	2,286	59,381	66,407	2,414	68,821
Current assets						
Stock	541	-	541	499	-	499
Debtors	17,615	-	17,615	17,709	-	17,709
Cash at bank and in hand	(7,886)	13,850	5,964	(5,344)	11,045	5,701
Liabilities						
Current liabilities	(21,790)	-	(21,790)	(22,530)	-	(22,530)
Long-term liabilities	(2,820)	-	(2,820)	(2,478)	-	(2,478)
Provisions for liabilities and charges	(10,977)	-	(10,977)	(9,857)	-	(9,857)
Defined-benefit pension scheme liability	(7,247)	-	(7,247)	(12,247)	-	(12,247)
	<u>35,447</u>	<u>16,136</u>	<u>51,583</u>	<u>43,884</u>	<u>13,459</u>	<u>57,443</u>

The Charity

	2020			2019		
	Unrestricted	Restricted and	Total	Unrestricted	Restricted and	Total
	£'000	Endowed	£'000	£'000	Endowed	£'000
Fixed Assets						
Tangible fixed assets	10,890	-	10,890	11,737	-	11,737
Investments	60,595	2,286	62,881	66,407	2,414	68,821
Current assets						
Stock	-	-	-	-	-	-
Debtors	16,531	-	16,531	16,396	-	16,396
Cash at bank and in hand	(8,311)	10,614	2,303	(8,405)	10,333	1,928
Liabilities						
Current liabilities	(30,399)	-	(30,399)	(23,580)	-	(23,580)
Long-term liabilities	(2,784)	-	(2,784)	(2,478)	-	(2,478)
Provisions for liabilities and charges	(9,890)	-	(9,890)	(9,269)	-	(9,269)
Defined-benefit pension scheme liability	(7,205)	-	(7,205)	(11,834)	-	(11,834)
	<u>28,427</u>	<u>12,900</u>	<u>42,327</u>	<u>38,874</u>	<u>12,747</u>	<u>51,621</u>

18 Pension schemes

Cost to the Group	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Defined-benefit schemes				
Age Concern Section	430	713	396	652
Help the Aged Section	450	870	450	870
Total defined-benefit schemes costs	880	1,583	846	1,522
Defined-contribution scheme				
Age UK Pension Plan	2,834	2,451	732	628
Pensions cost	3,714	4,034	1,578	2,150

During the year Age UK Group operated two pension schemes; one defined contribution scheme and one defined benefit scheme, both of which a 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 (AVCs) 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 2014 Age UK's debt on withdrawal was £467,307. A recovery plan has been agreed to eliminate the deficit requiring employers to pay contributions with effect from 1 April 2013. The original recovery plan was to run for ten years but this has been extended until 31 August 2025. The deficit contributions payable will increase by 3% each year in April. For the year ending 31 March 2020 Age UK is expected to pay contributions of £27,033.

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 2020 included in liabilities due within one year there was an amount of £322,440 (2019: £326,119) due for employer and employee pension contributions, these were paid across to the pension scheme in April 2020. Age UK's original staging date for auto enrolment was 1 September 2013 and in line with legal requirements a re-enrolment exercise was undertaken on 1st September 2016. Employees are auto enrolled with an employee contribution of 1% with Age UK paying 4% as an employer contribution. Members have the flexibility to choose a higher level and the employer contribution rate is 8% for employees making contribution of 3%, and 9% for those employees paying 4% or more. From 1st April 2019 auto enrolment rates have been increased to an employee rate of 2% with Age UK paying 6% as an employer contribution to meet the new combined rate required by legislation. Employers contribution to the scheme totalled £4,130,996 in the year (2019: £3,643,265).

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 future 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 2021 Age UK expected to pay contributions of £3.45m, with £1.75m in relation to the Age Concern section and £1.7m in relation to the Help the Aged section. Due to the impact of COVID-19 the Pension Trustees agreed to give a six month payment holiday reducing the total pay to £1.72m. These contributions include an allowance for administration expenses and Pension Protection Fund. The most recent full actuarial valuation for the Age UK Retirement Benefits Scheme took place on 1 April 2019. The share of the net liability allocated to each of the participating employers has been determined based on their respective liability share at 1 April 2016.

As required by FRS 102 the defined benefit liabilities have been measured using the projected unit method. The tables below state the FRS 102 actuarial assumptions upon which the valuation of the scheme was based.

Principal financial assumptions at the balance sheet date	2020 AC %	2020 HtA %	2019 AC %	2019 HtA %
Inflation assumption (RPI)	2.80	2.80	3.40	3.40
Inflation assumption (CPI)	1.80	1.80	2.40	2.40
Rate of increase in salaries	N/A	2.80	N/A	3.40
Pension increases:				
Rate of increase in payment of pre 2005 pensions	3.00	1.80	3.40	2.40
Rate of increase in payment of post 2005 pensions	2.50	1.80	2.50	2.40
Discount rate	2.20	2.20	2.40	2.40
Principal demographic assumptions at the balance sheet date	2020 AC Years	2020 HtA Years	2019 AC Years	2019 HtA Years
Assumed life expectancies on retirement at age 65				
Retiring Today - Males	86.7	86.7	86.3	86.3
Retiring Today - Females	89.0	89.0	88.2	88.2
Retiring in 20 years - Males	87.7	87.7	87.3	87.3
Retiring in 20 years - Females	90.2	90.2	89.4	89.4

Allowance has been made for all members to exchange 80% of the maximum cash allowance available upon retirement. The mortality assumptions are: S2P base tables projected by year of birth assuming future improvements in line with CMI 2019 core projections with a long-term rate of improvement of 1%pa.

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For the Year Ended 31 March 2020

18 Pension schemes (continued)

Major categories of plan assets.	2020 AC £'000	2020 HtA £'000	2020 Total £'000		2019 AC £'000	2019 HtA £'000	2019 Total £'000
The Group				%			
Equities	10,483	10,643	21,126	15.6	14,265	13,911	28,176
Diversified Growth	8,828	12,265	21,093	15.6	12,637	16,573	29,210
Property	5,053	-	5,053	3.7	5,050	-	5,050
Gilts and Bonds	46,217	40,495	86,712	63.9	37,100	33,948	71,048
Cash	721	928	1,649	1.2	143	476	619
	<u>71,302</u>	<u>64,331</u>	<u>135,633</u>	<u>100</u>	<u>69,195</u>	<u>64,908</u>	<u>134,103</u>

The Charity

Equities	9,629	10,643	20,272	15.6	13,045	13,911	26,956
Diversified Growth	8,109	12,265	20,374	15.7	11,556	16,573	28,129
Property	4,642	-	4,642	3.6	4,618	-	4,618
Gilts and Bonds	42,454	40,495	82,949	63.9	33,929	33,948	67,877
Cash	661	928	1,589	1.2	131	476	607
	<u>65,495</u>	<u>64,331</u>	<u>129,826</u>	<u>100</u>	<u>63,279</u>	<u>64,908</u>	<u>128,187</u>

None of the scheme's assets are invested in any property or other assets currently used by the Group.

Reconciliation of funded status to balance sheet	2020 AC £'000	2020 HtA £'000	2020 Total £'000		2019 AC £'000	2019 HtA £'000	2019 Total £'000
The Group							
Fair value of assets	71,302	64,331	135,633		69,195	64,908	134,103
Present value of funded defined benefit obligations	(71,803)	(71,077)	(142,880)		(72,868)	(73,482)	(146,350)
Funded status	<u>(501)</u>	<u>(6,746)</u>	<u>(7,247)</u>		<u>(3,673)</u>	<u>(8,574)</u>	<u>(12,247)</u>
Liability recognised on the balance sheet	<u>(501)</u>	<u>(6,746)</u>	<u>(7,247)</u>		<u>(3,673)</u>	<u>(8,574)</u>	<u>(12,247)</u>

The Charity

Fair value of assets	65,496	64,331	129,827		63,279	64,908	128,187
Present value of funded defined benefit obligations	(65,956)	(71,076)	(137,032)		(66,639)	(73,482)	(140,121)
Funded status	<u>(460)</u>	<u>(6,745)</u>	<u>(7,205)</u>		<u>(3,360)</u>	<u>(8,574)</u>	<u>(11,934)</u>
Liability recognised on the balance sheet	<u>(460)</u>	<u>(6,745)</u>	<u>(7,205)</u>		<u>(3,360)</u>	<u>(8,574)</u>	<u>(11,934)</u>

Amounts recognised in the income statement	2020 AC £'000	2020 HtA £'000	2020 Total £'000		2019 AC £'000	2019 HtA £'000	2019 Total £'000
The Group							
Operating cost	-	-	-		239	335	574
Past service cost	-	-	-		313	274	587
Administration expenses	364	266	630		161	261	422
Interest on net defined liability	66	184	250		713	870	1,583
Pension expense recognised in the income statement	<u>430</u>	<u>450</u>	<u>880</u>		<u>713</u>	<u>870</u>	<u>1,583</u>

The Charity

Operating cost	-	-	-		219	335	554
Past service cost	-	-	-		286	274	560
Administration expenses	335	266	601		147	261	408
Interest on net defined liability	61	184	245		652	870	1,522
Pension expense recognised in the income statement	<u>396</u>	<u>450</u>	<u>846</u>		<u>652</u>	<u>870</u>	<u>1,522</u>

Amounts recognised in Other Comprehensive Income	2020 AC £'000	2020 HtA £'000	2020 Total £'000		2019 AC £'000	2019 HtA £'000	2019 Total £'000
The Group							
Asset (losses)/ gains arising during the year	910	(1,951)	(1,041)		4,275	3,484	7,759
Liability gains/ (losses) arising during the year	815	2,477	3,292		(1,983)	(1,936)	(3,919)
Pension gain recognised in the income statement	<u>1,725</u>	<u>526</u>	<u>2,251</u>		<u>2,292</u>	<u>1,548</u>	<u>3,840</u>

The Charity

Asset (losses)/ gains arising during the year	1,117	(1,951)	(834)		3,887	3,484	7,371
Liability gains/ (losses) arising during the year	465	2,477	2,942		(1,813)	(1,936)	(3,749)
Pension gain recognised in the income statement	<u>1,582</u>	<u>526</u>	<u>2,108</u>		<u>2,074</u>	<u>1,548</u>	<u>3,622</u>

18 Pension schemes (continued)

Change in the fair value of Scheme assets	2020 AC	2020 HtA	2020 Total	2019 AC	2019 HtA	2019 Total
The Group	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of Scheme assets	69,195	64,908	134,103	64,623	60,556	125,179
Assets acquired	217	-	217	-	-	-
Interest income on Scheme assets	1,657	1,549	3,206	1,666	1,565	3,231
(Losses) / gains on Scheme assets	910	(1,506)	(596)	4,275	3,484	7,759
Employer contributions	1,877	1,726	3,603	1,851	1,732	3,583
Net benefits paid	(2,190)	(2,080)	(4,270)	(2,907)	(2,155)	(5,062)
Administration costs incurred	(364)	(266)	(630)	(313)	(274)	(587)
Closing fair value of Scheme assets	<u>71,302</u>	<u>64,331</u>	<u>135,633</u>	<u>69,195</u>	<u>64,908</u>	<u>134,103</u>
Change in the fair value of Scheme assets	2020 AC	2020 HtA	2020 Total	2019 AC	2019 HtA	2019 Total
The Charity	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of Scheme assets	63,279	64,908	128,187	59,098	60,556	119,654
Assets acquired	217	-	217	-	-	-
Interest income on Scheme assets	1,515	1,549	3,064	1,524	1,565	3,089
(Losses) / gains on Scheme assets	1,117	(1,506)	(389)	3,887	3,484	7,371
Employer contributions	1,714	1,726	3,440	1,714	1,732	3,446
Net benefits paid	(2,011)	(2,080)	(4,091)	(2,658)	(2,155)	(4,813)
Administration costs incurred	(335)	(266)	(601)	(286)	(274)	(560)
Closing fair value of Scheme assets	<u>65,496</u>	<u>64,331</u>	<u>129,827</u>	<u>63,279</u>	<u>64,908</u>	<u>128,187</u>
Actual return on Scheme assets	2020 AC	2020 HtA	2020 Total	2019 AC	2019 HtA	2019 Total
The Group	£'000	£'000	£'000	£'000	£'000	£'000
Interest income on Scheme assets	1,657	1,549	3,206	1,666	1,565	3,231
(Losses)/ Gains on scheme assets	<u>910</u>	<u>(1,506)</u>	<u>(596)</u>	<u>4,275</u>	<u>3,484</u>	<u>7,759</u>
Actual return on Scheme assets	2,567	43	2,610	5,941	5,049	10,990
The Charity						
Interest income on Scheme assets	1,515	1,549	3,064	1,524	1,565	3,089
(Losses)/ Gains on scheme assets	<u>1,117</u>	<u>(1,506)</u>	<u>(389)</u>	<u>3,887</u>	<u>3,484</u>	<u>7,371</u>
Actual return on Scheme assets	2,632	43	2,675	5,411	5,049	10,460
Change in the present value of the defined benefit obligation	2020 AC	2020 HtA	2020 Total	2019 AC	2019 HtA	2019 Total
The Group	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	72,868	73,482	146,350	71,726	71,540	143,266
Liabilities assumed	217	-	217	-	-	-
Interest expense on defined benefit obligation	1,723	1,786	3,509	1,827	1,826	3,653
Past service cost	-	-	-	239	335	574
Actuarial (gains) / losses arising on scheme liabilities	(815)	(2,111)	(2,926)	1,983	1,936	3,919
Net benefits paid	(2,190)	(2,080)	(4,270)	(2,907)	(2,155)	(5,062)
Closing defined benefit obligation	<u>71,803</u>	<u>71,077</u>	<u>142,880</u>	<u>72,868</u>	<u>73,482</u>	<u>146,350</u>
The Charity	2020 AC	2020 HtA	2020 Total	2019 AC	2019 HtA	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	66,639	73,482	140,121	65,594	71,540	137,134
Liabilities assumed	217	-	217	-	-	-
Interest expense on defined benefit obligation	1,576	1,785	3,361	1,671	1,826	3,497
Past service cost	-	-	-	219	335	554
Actuarial (gains) / losses arising on scheme liabilities	(465)	(2,111)	(2,576)	1,813	1,936	3,749
Net benefits paid	(2,011)	(2,080)	(4,091)	(2,658)	(2,155)	(4,813)
Closing defined benefit obligation	<u>65,956</u>	<u>71,076</u>	<u>137,032</u>	<u>66,639</u>	<u>73,482</u>	<u>140,121</u>

19 Consolidated Statement of Financial Activities for the year ended 31 March 2019 (Prior year)

INCOME AND EXPENDITURE	Unrestricted £'000	Restricted £'000	2019 £'000
INCOME FROM:			
Voluntary income			
Donations and gifts	7,954	4,404	12,358
Legacies	25,174	441	25,615
Grants, corporate and trusts	629	10,888	11,517
Lotteries and raffles	7,509	3,808	11,317
Total voluntary income	41,266	19,541	60,807
Trading activities			
Charity Shops	41,458	-	41,458
Financial Services	16,010	14	16,024
Independent Living Solutions	2,688	-	2,688
Other trading income	1,090	143	1,233
Total income from trading activities	61,246	157	61,403
Investment income and interest	1,322	76	1,398
Charitable activities			
Campaigning and research	111	-	111
Information and advice	120	-	120
Health & care	852	-	852
Wellbeing	772	-	772
Supporting the network	2,317	-	2,317
International	57	3	60
Total income from charitable activities	4,229	3	4,232
Other income			
Net (loss)/gain on disposal of fixed assets	(52)	2	(50)
TOTAL INCOME	108,011	19,779	127,790
EXPENDITURE ON:			
Cost of raising funds			
Cost of generating voluntary income	(14,074)	(1,850)	(15,924)
Cost of generating trading income			
Cost of Charity Shops	(40,761)	-	(40,761)
Cost of Financial Services	(12,603)	-	(12,603)
Cost of Independent Living Solutions	(2,343)	-	(2,343)
Other costs of raising funds	-	-	-
Total cost of generating trading income	(55,708)	-	(55,708)
Total cost of raising funds	(69,781)	(1,850)	(71,632)
Net resources available for charitable activities	38,229	17,929	56,158
Charitable activities			
Campaigning and research	(8,040)	(638)	(8,678)
Information and advice	(6,458)	(2,864)	(9,322)
Health & care	(2,148)	(91)	(2,239)
Wellbeing	(7,286)	(4,167)	(11,453)
Supporting the network	(12,004)	(763)	(12,767)
International	(6,234)	(6,733)	(12,967)
Total expenditure on charitable activities	(42,170)	(15,256)	(57,426)
TOTAL EXPENDITURE	(111,952)	(17,106)	(129,058)
Tax payable	(387)	-	(387)
Net gains/(losses) on investments	3,033	71	3,104
NET INCOME/(EXPENDITURE)	(1,295)	2,744	1,449
Other recognised gains and losses			
Actuarial gains on pension scheme	3,840	-	3,840
Gain on sales of subsidiary	69	-	69
Revaluation gains	-	-	-
Income on acquisition of subsidiary	-	-	-
Transfers between funds	2,516	(2,516)	-
NET MOVEMENT IN FUNDS	5,130	228	5,358
Reconciliation of funds			
Total funds brought forward	38,854	13,231	52,085
Net movement in funds	5,130	228	5,358
Total funds carried forward	43,984	13,459	57,443

20 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 will pay available profits to the Charity under the Gift Aid scheme, thereby eliminating or reducing their respective corporation tax liabilities.

21 Company limited by guarantee

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

22 Operating lease commitments

The Group had total commitments at the year end under operating leases expiring as follows:

	2020 £'000	2019 £'000
Within one year	7,853	7,277
Within one to five years	13,581	13,962
After five years	244	672
	<u>21,678</u>	<u>21,911</u>

23 Contingent liabilities and capital commitments

There were no contingent liabilities and no capital commitments as at 31 March 2020 or at 31 March 2019.

24 Related party transactions

Group transactions

Many group entities benefit from centrally provided support services such as accounts payable and payroll. The costs of running central support services accrue in one subsidiary, Age UK Trading CIC, and are apportioned to group entities on an annual basis according to management estimations of time and resource expended. Expense relating to the charitable activities of the retail estate are also recharged from Age UK Trading CIC to the charity on an annual basis.

The major support cost and retail reallocations in the year ended 31 March 2020 were as follows:

£'k

From	To	Age UK	Age UK Trading CIC	Age UK Enterprises	Lottery CICs (combined)	Help Age International	Total
Age UK		-	782	-	-	-	782
Age UK Trading CIC		31,548	-	1,958	629	1,172	35,307
Total		31,548	782	1,958	629	1,172	36,089

Grants awarded to subsidiary charities, and TAM commission shared with group trading entities in the year are summarised here:

£'k

From	To	Help Age International UK	Age Cymru	Age Cymru Enterprises	Age UK Suffolk	Age UK Suffolk Trading	Total
Age UK (Grants)		8,609	371	-	1,016	-	9,996
Age UK Enterprises Ltd (commission)		-	-	99	-	46	145
Total		8,609	371	99	1,016	46	10,141

A grant of £7,469 was awarded to Age UK Medway. John Norley is a trustee and CEO of Age UK Medway.

Outstanding subsidiary balances at year end are as follows:

2020		Amounts owed by:									£'000
Amounts owed to:		Age UK Charity	Age UK Enterprises Ltd	Age UK Local Programmes Lottery CIC	Help Age International UK	The Silver Line Helpline	Age UK Trading CIC	Age UK Information and Advice Lottery CIC	Age UK Education and Research Lottery CIC	Age Cymru Enterprises Ltd	
Age UK Enterprises Ltd	6,546	6,401	-	-	-	-	145	-	-	-	-
Age UK Local Programmes Lottery CIC	4,104	2,480	1,380	-	-	-	244	-	-	-	-
Age UK Trading CIC	3,492	1,922	-	-	1,568	-	-	-	-	2	-
Age UK Education and Research Lottery CIC	2,353	-	1,016	1,337	-	-	-	-	-	-	-
Age UK Information and Advice Lottery CIC	1,864	-	1,558	306	-	-	-	-	-	-	-
Help Age International UK	1,744	1,744	-	-	-	-	-	-	-	-	-
Age UK Charity	2,699	-	1,000	-	-	972	-	321	230	76	-
Age Cymru	1,278	1,179	-	-	-	-	-	-	-	99	-
Total	23,980	13,726	4,954	1,643	1,568	972	389	321	230	177	

25 Post balance sheet events

The COVID-19 pandemic had a major impact on Age UK and its subsidiaries. From the middle of March all office locations and retail shops were closed and staff have continued to work remotely throughout 2020/21. The Group made use of the support provided by the government through its Job Retention Scheme and focused on essential activities. 67 shops did reopen towards the end of June with a phased reopening of another 258 shops, but the decision was made to permanently close 133 shops. There were declines in all normal income streams and the overall expected impact is a 30% reduction in income resulting in a significant deficit. A thorough organisational review has therefore taken place which led to a restructure across all areas and a projected return to profitability in 2021/22. This projects a return to meeting our reserves policy threshold by 2023/24.

An emergency fundraising appeal was launched to ensure the continued delivery of our key services to older people and to support the local Age UK network, which have both seen unprecedented demand during the pandemic.

On 24 July 2020 subsidiary companies Age UK Suffolk and Age UK Suffolk Trading Ltd ceased trading.

Age UK

Notes to the financial statements

For the Year Ended 31 March 2020

26 Subsidiary undertakings

During the year Age UK Group carried out activities through the following wholly owned trading subsidiaries. These entities' principal activities are detailed below.

Age UK Enterprises Limited: Provides insurance services and other products for older people.
 Age UK Trading CIC: Provides Age UK with staffing and management for Age UK's charity shops and the sale of bought in goods.
 Intune Group Limited: Arranges financial services of particular relevance to older people.
 HelpAge International UK: Raises funds and carries out Age UK's international charitable work.
 Age Cymru, the national Age UK charity of Wales, provided support for the elderly in the principality and joined the group in October 2019.
 Age UK Suffolk, a regional charity registered in England and Wales providing support for the elderly in East Anglia.
 Age UK Local Programmes Lottery CIC: Raises funds through lotteries.
 Age UK Informatin & Advice Lottery CIC: Raises funds through lotteries.
 Age UK Education and Research Lottery CIC: Raises funds through lotteries.
 The Silver Line Helpline: a national charity providing help and advice for the elderly was acquired on 1 October 2019.

Profit and loss account	Age UK Trading CIC £'000	Age UK Enterprises £'000	HelpAge International £'000	Age Cymru £'000	Age UK Suffolk £'000	Age UK Lotteries £'000	The Silver Line (a) £'000	Total 2020 £'000
Turnover	40,544	14,652	15,268	2,402	2,568	11,487	1,172	88,094
Gain on Business Disposal	242	-	-	-	-	-	-	242
Expenditure	(39,142)	(15,812)	(15,176)	(1,925)	(2,056)	(6,763)	(1,268)	(82,143)
Profit/(loss) for the year	1,644	(1,160)	93	476	512	4,724	(96)	6,193
Gift aid paid to parent	(724)	(87)	-	-	-	(1,704)	-	(2,515)
Result for the year transferred to reserves	920	(1,247)	93	476	512	3,020	(96)	3,678
Balance Sheet	Age UK Trading CIC £'000	Age UK Enterprises £'000	HelpAge International £'000	Age Cymru	Age UK Suffolk £'000	Age UK Lotteries £'000	The Silver Line £'000	Total 2020 £'000
Total fixed assets	-	-	-	21	12	-	93	126
Current assets	4,533	5,840	1,126	1,893	243	5,535	917	20,887
Total liabilities	(718)	(3,114)	(1,002)	(81)	(178)	(1,811)	(1,163)	(8,067)
Net assets/(Liabilities)	3,815	2,726	124	1,633	77	4,724	(153)	12,946

Note a) The Silver Line's Profit and Loss account for the 6 months since acquisition (October 2019 to March 2020)

Age UK

Notes to the financial statements

For the Year Ended 31 March 2020

27 Grants payable

Analysis of grants paid in the year highlighting those Institutions receiving more than £100,000

	Campaigns & Research	Information & Advice	Health & Care	Wellbeing	Support the Network	International	2020 Total	Awards
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Age UK National Partners								
AGE CYMRU	-	-	-	-	-	-	-	3
AGE NI	-	-	-	-	104	-	104	4
AGE SCOTLAND	-	5	-	55	361	3	424	14
	-	5	-	55	465	3	528	21
Age UK Brand Partners								
Age UK Bristol	-	21	-	-	119	-	140	6
Age UK Darlington	-	21	-	44	50	-	115	6
Age UK Gateshead	-	7	-	125	26	-	158	7
Age UK Gloucestershire	-	-	-	115	20	-	135	8
Age UK Hertfordshire	-	21	-	145	72	-	238	6
Age UK Kensington	-	-	-	1	134	-	135	5
Age UK Lancashire	-	-	-	119	77	-	196	7
Age UK Leicestershire	-	31	-	152	56	-	239	13
Age UK London	-	-	-	1	151	-	152	4
Age UK Norfolk	-	-	-	-	115	-	115	10
Age UK Nottingham	-	7	-	90	125	-	222	10
Age UK Portsmouth	-	-	-	100	50	-	150	5
Age UK South Lakeland	-	35	-	53	15	-	103	7
Age UK West Cumbria	-	-	-	101	22	-	123	4
Age UK Wirral	-	-	-	82	33	-	115	5
	-	143	-	1,128	1,065	-	2,336	103
UK Institutions								
Clarion Housing Group	-	-	-	260	-	-	260	1
Scottish Council for Voluntary Organisations	-	-	-	172	-	-	172	1
	-	-	-	432	-	-	432	2
International								
Help Age International	-	-	-	-	-	12,260	12,260	29
	-	-	-	-	-	12,260	12,260	29
	-	148	-	1,615	1,530	12,263	15,556	155
Other Grants paid (<£100k per recipient per year)	33	473	74	718	3,006	1	4,305	
Total Grants payable	33	621	74	2,333	4,536	12,264	19,861	

Analysis of grants paid in the prior year highlighting those institutions receiving more than £100,000

	Campaigns & Research	Information & Advice	Health & Care	Wellbeing	Supporting the Network	International	2019 Total	Awards
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Age UK National Partners								
AGE NI	-	-	-	-	483	-	483	4
AGE SCOTLAND	-	20	-	-	449	-	469	6
	-	20	-	-	932	-	952	10
Age UK Brand Partners								
Age UK East London	-	19	-	-	95	-	114	7
Age UK Darlington	-	-	-	108	43	-	151	9
Age UK Gateshead	-	22	-	120	27	-	169	9
Age UK Gloucestershire	-	23	-	91	58	-	172	12
Age UK Herefordshire & Worcestershire	-	-	7	119	25	-	151	11
Age UK Lancashire	-	-	-	111	55	-	166	14
Age UK Leeds	-	22	7	34	52	-	115	13
Age UK Leicestershire & Rutland	-	25	6	112	52	-	195	14
Age UK Northamptonshire	-	3	(17)	1	142	-	129	13
Age UK Nottingham & Notts	-	21	-	103	51	-	175	14
Age UK Portsmouth	-	-	-	100	21	-	121	7
Age UK West Cumbria	-	-	-	104	26	-	130	5
Age UK Wiltshire	-	21	-	(6)	91	-	106	12
Age UK Wirral	-	-	-	80	30	-	110	8
	-	156	3	1,077	768	-	2,004	148
UK Institutions								
Citizens Online	-	-	-	200	-	-	200	1
Clarion Housing Group	-	-	-	281	-	-	281	1
Digital Unite Ltd	-	-	-	220	-	-	220	1
Scottish Council for Voluntary Organisations	-	-	-	316	23	-	339	1
University of Edinburgh	113	-	-	-	-	-	113	1
Woody's Lodge	-	-	-	330	-	-	330	1
	113	-	-	1,347	23	-	1,483	6
International								
Help Age International	-	-	-	-	-	11,496	11,496	41
	-	-	-	-	-	11,496	11,496	41
	113	176	3	2,424	1,723	11,496	15,935	205
Other Grants paid (<£100k per recipient per year)	64	823	35	636	3,727	-	5,285	
Total Grants payable	177	999	38	3,060	5,450	11,496	21,220	

28 Other recognised gains and losses**(a) Loss adjustment on sale of subsidiary**

The Group's subsidiary AidCall Limited was sold on 1 November 2016. The gain on disposal as reported in the financial statements for the year ended March 2017 were recognised as £13,758,302 and additional gains of £1,215,561 were recognised in the subsequent two periods. In the current period we have reflected a final adjustment of £3,868 (loss). The total gain resulting from the disposal is £14,969,895.

(b) Goodwill written off upon acquiring control of subsidiary charity

The company took control of the registered charity The Silver Line Helpline on 1 October 2019. The charity provides a free, confidential helpline that is a source of information, friendship and advice to older people, open 24 hours a day, every day of the year.

	£'000	£'000
Consideration paid		Nil
Net liabilities acquired:		
Fixed Assets		
Tangible assets	67	
	67	
Current Assets		
Debtors	112	
Cash at bank and in hand	95	
	207	
Creditors	(335)	
Net Current Assets/(Liabilities)	(128)	(61)
Goodwill on consolidation - written off		(61)

The consolidated statement of financial activities on page 65 includes revenues of £1,152k and a net deficit of £116k incurred by The Silver Line since the date of control.

29 Government grants

The following government grants were received in the period.

		2020 £'000	2019 £'000
Grant provided by	Description		
Ministry of Defence	To develop support for older veterans	1,717	1,762
Department for International Development	Overseas relief efforts	2,046	500
Welsh Government Department of Health and Social Services	To support the work of Age Alliance Wales and to provide secretariat support for National Organisations of Older People in Wales	241	321
Welsh Government	'Golden Thread Advocacy' programme to produce a framework for delivery of independent professional advocacy in Wales, build capacity in the advocacy sector and raise awareness of the importance of advocacy	222	259
Welsh Government Department of Health and Social Services	To support the delivery of physical activity programmes, to support participation in arts and creativity and to deliver key health messages to older people in Wales	353	234
United Nations	Overseas relief efforts	1,752	-
French Government	Overseas relief efforts	232	-
Department for culture, media and sport	Digital inclusion project	-	100
Jersey Overseas Aid	Health and wellbeing of older women	-	200
		650	432
Other grants with individual values under £100k			
Total		7,213	3,798

Thank you

Thank you

We'd like to thank all our donors, supporters, campaigners and volunteers for their valued contribution. We'd also like to thank all those people who have left a gift in their will to Age UK. Their generosity will help us to help those who need us the most. Special thanks go to the following businesses, public bodies, trusts and foundations for their generous support.

Ageas	Edith Murphy Foundation
Aged Veterans Fund (funded by the Chancellor using LIBOR funds)	European Commission (EC)
Agence Francaise de Developpement (AFD)	European Commission Humanitarian Aid (ECHO)
AIG Life	Exilarch's Foundation
Aldi	Flight Centre
Allen & Overy Foundation	Foster Wood Foundation
Apetito	Garfield Weston Foundation
Arm Limited	HSBC
Arthur James Paterson Charitable Trust	Humanitarian Innovation Fund (HIF)
Avis Budget UK	Iceland Foods
Avro Energy	Ingram Trust
Barclays	innocent
Big Lottery Fund	International Labour Office (ILO)
Bloomberg	International organisation for Migration (IOM)
CB and HH Taylor 1984 Trust	International Rescue Committee (IRC)
Cosaraf Charitable Foundation	Jersey Overseas Aid (JOA)
DAC Beachcroft	John Lewis & Partners
Department for International Development (DFID) – UK Aid	Kellogg's
Department of Health and Social Care	Kilpatrick Fraser Charitable Trust
Disasters Emergency Committee (DEC)	Kirby Laing Foundation
Dixons Carphone	Lavenham Trust
e.on	Legal & General

...continued

Thank you

Links - India	Rothesay Life
M&G	Santander UK
Manning Gottlieb OMD	Seqirus
Masonic Charitable Foundation	Shell Energy
Matrix Causes Fund	Sport England
Maxwell Harvey Legacy	START Fund
Mercers Charitable Foundation	Stewart Investors
Microsoft News	Swedish Postcode Lottery
Miller Harris	The Anthony Hart Charity Trust
Ministry for Foreign Trade and Development Cooperation of the Netherlands	The Bridgewater Charitable Trust
Miss S M G Ross Trust	The D G Charitable Settlement
Mondelez International	The Evan Cornish Foundation
Morrisons Foundation	The Football Association
Murdoch Forrest Charitable Trust	The Souter Charitable Trust
National Lottery Community Fund	The Welland Charitable Trust
NHS England	United Nations High Commissioner for Refugees (UNHCR)
Nutricia	United Nations Office for Project Services (UNOPS – LIFT)
Oakhouse Foods	United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)
Octopus Energy	Warwick University
Octopus Foundation	World Diabetes Foundation
Peacock Charitable Trust	World's Big Sleep Out Trust
Prudential plc	Zurich Community Trust
ReAssure	