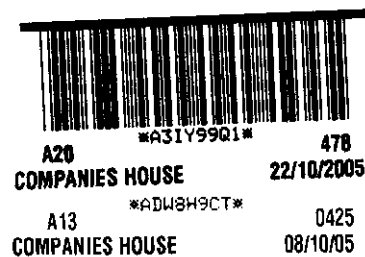


## Help the Aged

Financial statements for the year ended 30 April 2005  
together with Directors' and auditors' reports

Registered company number: 1263446

Registered charity number: 272786



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## **Chairman's report**

After serving Help the Aged as a Trustee for 10 years I was honored to be appointed Chairman in May 2004. My predecessor Jack Mather presided over an impressive decade of development, and we will continue to build on this legacy.

This year the Board has reaffirmed our cause as helping disadvantaged older people overcome the poverty, isolation and neglect that are realities for many in later life. In the UK one in five of the pensioner population lives below the official poverty line. More than one million older people feel cut off from society. Millions more suffer neglect in many areas of life such as health and social care and employment. This is unacceptable in the UK of the 21st century, which has the fourth richest economy in the world.

Older people in developing countries are amongst the most deprived people in the world. They are routinely forgotten and ignored in the delivery of aid and development. Our deep commitment to these most vulnerable of older people involves delivering practical aid, building effective age-related organisations, and campaigning for greater commitments from rich countries. Our work is underpinned by a unique and powerful relationship with our main partner, HelpAge International.

Our leading-edge research tells us that vulnerable older people come from many different sections of society. We will continue to ensure that the Charity is representative of these often hard-to-reach groups, across the regions and countries of the UK, and elsewhere in the world.

This annual report illustrates the great progress we have made this year, for which the trustees extend their thanks to all staff and volunteers working in the Charity. But the mountain ahead means we need to press on with even greater determination to rid our society of the injustice we see every day. We will rise to the task. We will deliver lasting change.

## **Director General's report**

Public demand for our services has never been greater and the age sector was very active last year. Across the board, from practical help in the community, to research, and campaigning for changes in Government policy and practice, we have worked to increase significantly our capacity and impact.

Meanwhile, the financial climate remains tough, with increased competition alongside increased costs of legislation and wage inflation. Against this background, I am pleased to report that we increased our annual income by 6% to £74.4m (£70.6m excluding Tsunami; £70.1m 2003/4) and our net income by 10% to £43.5m (£39.6m 2003/04), enabling us to make available £28.0m for the benefit of older people.

We face tough fundraising targets over the next three years to match the demands put upon us, but we are determined to improve on our effectiveness all round and provide the public with the very best value in return for the support we are given. Last year our fundraising ratio improved by 9%, and our support costs decreased by 12%.

Early in the new year we saw huge public support for the appeal following the tsunami disaster on Boxing Day 2004. Mobile medical units from HelpAge India were amongst the first direct aid to arrive at the affected areas in the south-east of the sub-continent and HelpAge Sri Lanka responded with equal speed. With our partner HelpAge International we quickly developed a recovery plan to assist those most in need and, playing our part with other members of the Disasters Emergency Committee, we were able to limit subsequent deaths from disease, exposure or malnutrition by providing food, water, clothing and shelter at an early stage. We will be involved in the long-term recovery plan for several years to come.

This report provides an insight into the wealth of creative and relevant work that the Charity does to support disadvantaged older people. And with progress made on fundraising and operational development, I am confident that all in all, the Charity is in a robust position to move into next year.

This year we have decided to implement one year early both the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', published in March 2005 and to adopt full disclosure under FRS17 Retirement Benefits to provide readers with the greater transparency and accountability of reporting that this brings.

My sincere thanks go to all our donors, partners, supporters and volunteers. We rely totally on your unstinting generosity and goodwill, which help us all deliver the many achievements described in this report for the benefit of vulnerable older people.

## Our structure

Help the Aged is organised into seven divisions.

- Policy, Research and International Department works to improve understanding of the needs of older people, campaigns for changes in policy and practice, and spearheads our international work
- Communications and Marketing seeks to increase the awareness and impact of the Charity's cause and the work that it does
- Community Services delivers our services to older people and their communities across the UK
- Fundraising and Marketing raises funds from many sources, mainly legacies, individual donations and gifts, corporate sponsorship, and paid-for services.
- Retail is the face of Help the Aged on the high street. Through over 370 shops across the UK, it raises almost half the charity's gross income through the sale of donated and other merchandise.
- Finance supports the charity with activities such as financial reporting and management, IT, legal, property, internal audit and support services
- Human Resources works to recruit, retain and develop the Charity's employees and volunteers.

Geographically, Help the Aged has national offices in Wales, Scotland, Northern Ireland and England, and representation in all the regions of England. Their role is to achieve the campaigning and service delivery objectives of the charity in the context of their own country or regional environment, taking into account local priorities and methods of delivery.

## Our aims

Our **vision** is of a future where older people are free from the disadvantages of poverty, isolation and neglect so they can live with dignity as valued, respected and involved members of society.

Our **mission** is to secure and uphold the rights of disadvantaged older people in the UK and around the world. Working with them, we research their needs, campaign for changes in policy and provide services to alleviate hardship today and prevent deprivation tomorrow.

Our **aim** is to secure within five years measurable reductions in the poverty, isolation and neglect of older people in the UK and severely deprived countries overseas by delivering practical services, and by bringing about change in public policy and practice, using the recognised authority of our understanding about ageing.

## Our objectives

### WE WILL:

**Combat poverty** to achieve significant reductions in poverty and social exclusion, and mitigate their worst effects. We want:

- improved livelihoods for the most deprived older people in developing countries and fewer living in extreme poverty
- a state pension that meets the needs of the poorest
- the take-up of all benefits to be at least 95 per cent
- the rate of avoidable winter deaths to be reduced to Scandinavian levels.

**Reduce isolation** to decrease the number of older people experiencing loneliness and isolation. We want:

- fewer older people feeling cut-off from society and opportunities
- older people protected from the harsh costs of basic services
- reduced crime and fear of crime
- free bus travel across the UK and increased take-up of concessions in deprived areas.

**Challenge neglect** to secure the delivery of consistently accessible, good-quality care addressing the biggest threats to health and well-being. We want:

- social care services to meet demand
- older people to benefit from advances in biomedical understanding and social policy analysis
- a lower incidence of falls, stroke and dementia
- consistent access to single assessment and joined-up services
- stronger protection against elder abuse.

**Defeat ageism** to win equality and human rights for disadvantaged older people, enabling them to escape from deprivation. We want:

- age discrimination outlawed in employment, and goods and services
- older people to have equal rights in health and social care
- older people to have more access to championing organisations in their own countries
- marginalised older people more involved in shaping policy and services.

**Prevent future deprivation** to reduce those at greatest risk in the future by stimulating prevention as well as cure, through research and other means. We want:

- greater availability and better access to low-level social services support
- more people to access information about health, wealth and well-being and to improve their lifestyles accordingly
- increased healthy life expectancy and achievement of government health inequalities targets
- higher rates of employment, learning and physical activity
- older people to enjoy greater benefits arising from research.

## Our activities

Across all five objectives, and involving all our Divisions, **WE WILL:**

**Research** the needs of older people to understand what they want; and the diseases and disabilities associated with ageing to discover how to delay their onset and reduce their effects.

**Campaign** for changes in government policy and practice to target government resources directly on satisfying the needs of older people

**Deliver services** to older people in the areas of home support, information and advice, help in difficult times, and quality of life, in partnership with others, so that they can lead healthy, independent, active and fulfilled lives.

**Operate internationally** to address the different needs and priorities of older people in the four nations of the UK and to help the most deprived older people in developing countries.

**Raise money** from many sources and continually seek ways to grow income, such as new paid-for services

**Work collaboratively** with many different organisations (see full list on page 45):

- we fund and commission **research** from numerous universities and individual specialists, and directly involve relevant groups of older people.
- the views of our beneficiaries drive development and improvement of our **services**, most of which we deliver in partnership with local and national community, voluntary and statutory organisations
- we work with like-minded charities, companies and many individual supporters on **campaigning and lobbying** to increase its impact on government
- we work with specialist companies to deliver our **commercial services**.

The vast majority of our income comes from voluntary donations, shops and trading. Our direct funding is around £1.5m and comes primarily from charitable trusts and statutory bodies.

We have two trading subsidiaries, Help the Aged (Trading) Ltd which raises funds through commercial activities e.g. insurance products and sponsorship and; Help the Aged (Mail Order) Ltd which sells aid products, Christmas cards and other merchandise through home shopping together with the sales of merchandise via shops.

Our 1,800 employees are central to our campaigning and the communication of our cause to the general public. Some 104,000 volunteers from the wider community also work for the Charity, in our shops, in fundraising, on the benefits advice and gardening programmes, at events, on committees and at head office.

## OUR INTERNATIONAL WORK

### Key facts

- The number of older people in the developing world will quadruple by 2050
- 100m older people in developing countries live on less than a dollar a day
- 6m sub-Saharan African orphans are looked after by older people
- 80 per cent of older people in developing countries have no regular income

### In 2004/05 we said we would:

- help older people around the world caught up in humanitarian disasters
- develop older people's organisations in the Sudan to address, as a priority, the needs of vulnerable displaced persons
- build a strong community of older people's organisations in eight of the new member states of the European Union
- raise awareness in the UK of the plight of older people in developing countries
- restore the vision of over 9,000 older people in India by providing free cataract operations
- reduce the impact of HIV/AIDS on children and older people
- launch our restructured Adopt-a-Granny scheme to reach the poorest older people in developing countries, to build their independence and strengthen their communities.

### During the year we have:

#### In Darfur, Sudan

- **distributed** non-food items to 12,000 older people and their families and raised awareness of the plight of older people with government and other agencies
- set up in El Geneina, West Darfur, older people's committees in camps for internally displaced people to increase older people's **participation**, identify vulnerable older people, and improve their access to basic services such as **health care**
- with the United Nations High Commissioner for Refugees, increased the **protection for older people** within the UN agencies operating there.

#### In tsunami-affected countries

- spent £1.1m on **help for those affected in India and Sri Lanka**
- been amongst the first **aid organisations on the ground** following the disaster, working through our partner organisations HelpAge India and HelpAge Sri Lanka
- provided immediate **relief**, in the form of food, water, clothing and cooking equipment, to older people and their families; in India, helped 30,000 older people and their families to start rebuilding their lives, and 10,000 more in Sri Lanka
- raised awareness in agencies and governments of the **specific needs of older people** in disaster situations begun to **restore the livelihoods** of older people: for example, by providing boats and fishing equipment, desalinating land, setting up self-help groups and income-generation schemes, building and repairing houses, constructing resource and daycare centers, and providing medical care
- worked, through HelpAge International, HelpAge India and HelpAge Sri Lanka, to launch a **rehabilitation programme** to continue to restore the livelihoods of older people.

#### In Eastern and Central Europe

- supported **older people's organisations** to help them ensure older people's voices are heard and enable them to lobby for real policy changes
- in Lithuania, supported our partners in involving older people directly in the drafting of their National Action Plan for **Social Inclusion**. In the Czech Republic, used international agreements to pressure the government into giving **older carers** the same rights as younger carers
- helped our partner organisations **influence European policy**.



## Elsewhere

- campaigned on the **poverty and hardship** faced by many older people in developing countries to raise awareness of **ageing and development issues** with the UK public, our own donors and other international NGOs
- begun to press for a social pension for older people in developing countries in our '**MAKEPOVERTYHISTORY** for older people' campaign
- carried out 5,000 free **cataract operations** for older people in India
- funded **HIV/AIDS** projects in Africa and Asia to promote ways of increasing the income of older people caring for orphans and infected children
- worked with our partners HelpAge Kenya and HelpAge India to develop the capacity of **Adopt-a-Granny** projects. Our relaunch of the scheme, following further research, will now take place in autumn 2005
- held workshops with partners in India and Kenya to identify and develop **income-generation** activities, to involve older people in deciding on the best use of funds in their communities.

## Next year we will:

- deliver **practical aid** to the most vulnerable through:
  - work in existing and new disaster areas: in 2005/06 we intend to spend about £3.9m on our tsunami rehabilitation programmes in India and Sri Lanka, via agencies working with local community organisations and older people
  - our relaunched Adopt-a-Granny scheme
  - poverty reduction programmes to give older people formal social protection and pensions
  - regional HIV/AIDS programmes in Africa and Asia
  - continuing our mobile medical programme in India
- build and **strengthen age organisations** across the world by:
  - supporting organisations in the HelpAge International network
  - strengthening an East and Central European network of NGOs to represent older people effectively and eliminate age discrimination
  - continuing to work with leading international research organisations to ensure that older people worldwide benefit from innovative research
- **campaign** for action from rich countries to help older people in poorer ones by:
  - visibly contributing to major advocacy and policy events
  - making ageing visible and recognised in specific international campaigns
  - increasing awareness in the UK of the needs of older people in developing countries
  - continuing our '**MAKEPOVERTYHISTORY** for older people' campaign to get more aid targeted through a pension on the poorest older people, as part of the high-profile international campaign being run by the coalition of which we are a member.

## WE WILL COMBAT POVERTY

### Key facts

- Almost £3bn of means-tested benefits go unclaimed every year by over 1 million older people
- Over 1m pensioner households live in fuel poverty
- One in five of the pensioner population (2 million people) lives below the official poverty line
- Each winter 20,000–50,000 people aged 65+ die needlessly of cold

### In 2004/05 we said we would:

- push for the reform of Council Tax to protect pensioners' disposable incomes
- help 2,000 older people claim benefits through our advice programme
- press for action to reduce the numbers of older people dying of cold and take practical steps to protect them from it
- help thousands of vulnerable older people via the British Gas-led 'here to HELP' initiative
- launch an equity release service offering impartial advice to older people.

### During the year we have:

- campaigned to reduce the impact of **Council Tax** on older people. The Chancellor announced a £200 concession in spring 2005 and a review of local government funding is due later in the year
- launched *Pensions Not Pin Money*, calling for a citizen's pension, an increase in the basic state **pension** and reduced means-testing, plus stronger incentives for personal saving and measures to help those who wish to work for longer. The Government has pensions, saving and employment high on its agenda for the current session
- through our **benefits advice** programme helped over 3,500 older people claim over £2m of benefits to which they are entitled. We have also identified over £1.5m of unclaimed means-tested **benefits** for older people through SeniorLine, which took nearly 97,000 enquiries over all (36,000 of them about financial matters)
- launched, through the British Gas Help the Aged partnership, a campaign to '**stop the cold killing older people**'. In addition to distributing 50,000 advice booklets on avoiding the dangers of the cold, produced the report *Older and Colder*, which showed how older people struggle to heat their homes: this informed the Government's relaunch of its 'Warm Front' support scheme for 2005–8 to address, in England, some of the current inadequacies
- gave oral evidence to inform the Government's inquiry and strategy into preventing the disconnection of **vulnerable energy consumers**
- through the British Gas 'here to HELP' scheme, fitted **security devices** in over 7,000 older people's homes via our HandyVan service, installed 85 **SeniorLink immediate-response/monitoring units** and distributed hundreds of information leaflets
- launched an **equity release service** offering impartial, professional and obligation-free advice taken up by over 4,000 homeowners this year.

## Highlights from around the UK

### Wales

- helped older people to access over £1.25m in **unclaimed benefits** through the benefits advice programme
- in our partnership report *For Richer For Poorer* drew attention to the parlous **financial situation of many older people** in Wales
- stimulated debate on **winter deaths**, opposed **means-testing for heating grants**, campaigned for free **domiciliary care** and supported a pensioners' demonstration on **Council Tax**.

### Scotland

- highlighted the impact of **Council Tax and water rates** on older people in *Council Tax: a path to poverty?*, an influential report for the Local Government Finance Review Committee
- launched a successful **New Year's Resolution** campaign, sponsored by the *Daily Record*, to draw attention to issues such as excess winter deaths, benefit take-up and Council Tax reform. Over 50 MSPs pledged support.

### England

- set up **benefits advice** programmes in Manchester and Dorset
- raised money to support culturally appropriate **sheltered housing** and services for ethnic elders.

### Northern Ireland

- helped reclaim through the SeniorLine service £1,050,000 of **benefits** to which older people were entitled
- campaigned to ensure that the impact of the introduction of **water charges** on older people will be addressed.

### Next year we will:

- work to ensure that the new government policies on care, social exclusion and our ageing society actively deliver **day-to-day benefit**
- use our knowledge and influence with government to campaign for an end to the scandal of widespread **pensioner poverty**, with particular reference to Council Tax, pensions, benefit take-up and employment
- reach over 4,000 more older people through phase 2 of the '**here to HELP**' initiative as it is rolled out country-wide
- in our **benefits advice** programme, advise a further 6,400 older people on their personal entitlement, enabling £2.7m to be claimed
- use our research findings to inform Scotland's review of **Council Tax**
- track the Government's new Warm Front scheme to assess whether it delivers the reductions in **fuel poverty and winter deaths**, and in Scotland research the causes of winter deaths
- provide **advice and support** to 6,725 older people, their relatives and carers through the Northern Ireland SeniorLine Service and increase the amount secured in unclaimed benefit entitlement to £1.25m.

## WE WILL REDUCE ISOLATION

### Key facts

- Over a third of older people experience loneliness
- One million older people go a whole month without seeing friends, family or neighbours
- Bogus callers gain entry to some 180,000 older people's homes per year

### In 2004/05 we said we would:

- secure 25,000 older people's homes via our HandyVan service, connect 2,000 older people to our SeniorLink/CareLine service, and help 2,300 older people benefit from our gardening programme
- work with older people to challenge post office and bank closures
- campaign to improve public transport throughout the UK
- help older people cope with the chip-and-PIN payment method
- in Northern Ireland, improve computer literacy among older people and extend training services
- pilot closer links between older people in care homes and their communities through new befriending schemes and the use of technology
- launch a new national event to raise funds for and raise the profile of Help the Aged.

### During the year we have:

- via the HandyVan scheme, improved the **security and fire safety** of over 20,000 older people's homes, and connected a further 3,100 people to our SeniorLink/CareLine **immediate-response and monitoring service**. Our gardening service has not yet been taken up as anticipated and is being reviewed
- launched an eight-point *Campaign Tips* guide for those resisting the proposed **closure of local post offices**, illustrated with successful case studies from around the UK Continued to work with the Campaign for Community Banking on **bank closure** issues
- campaigned for **free, off-peak bus transport** for all older people in England, putting them on a par with older people in other parts of the UK. In his 2005 Budget the Chancellor promised implementation in 2006
- campaigned for the chip-and-signature alternative to **chip-and-PIN** to be available for older people
- piloted befriending and technology schemes in two **care homes** in Clacton via our Sunshine project
- given 30,000 older people access to **housing advice** through our *Directory of Housing Advice and Information Services for Older People*
- launched Hug ('Helping Unite Generations'), a new national annual fundraising campaign that highlights the **loneliness** experienced by over 1 million older people in the UK, and hopes to raise over £200,000 for services to overcome it
- persuaded government to implement and promote an 'exceptions service' for those people unable to move from payment of pensions through pension books to **direct payment** through a bank or post office account.

## Highlights from around the UK

### Northern Ireland

- received a National Training Award and a Learn Direct Special Award for the Information Age project, our **IT skills** training course, which included the launch of an online community, [www.goldensurfers.co.uk](http://www.goldensurfers.co.uk). Trained nearly 400 people in Belfast and through outreach
- helped older people to improve their **personal safety** by distributing 3,000 copies of the leaflet *Right to be safe – right to feel safe*, and by undertaking a community safety road show
- distributed nearly £40,000 across 29 local groups to support **communal activities and transport costs** in rural areas.

### England

- with Groundwork Leeds developed the capacity to look after 600 older people's **gardens** in the year ahead
- through an outreach project, supported Somali elders in Manchester who suffer from **isolation, poverty and discrimination**, as well as trauma from forced exile
- in Falmouth, helped to raise funds and develop a **Shopmobility** Cornwall project, involving councils, local businesses and the tourism industry; set up a similar scheme in Chelmsford which is helping over 800 people
- started the development in Derby of a Home and Gardening scheme for vulnerable older people in the poorest areas where **distraction burglary** is rife
- provided a new bus for Family Support Brightonsea to reduce the **isolation** of 250 frail, housebound people
- set up a **befriending** scheme in West Norfolk to help the UK's fastest-growing population of over-50s overcome deep rural isolation, by means of a partnership and volunteer befrienders
- provided through Deptford Action Group for the Elderly a local radio station (8,000 listeners) and other events and activities to **reduce isolation** among its 2,000-strong membership.

### Next year we will:

- **secure the homes** of 26,000 older people through our HandyVan service, including 1,000 through a new chargeable service for those who can afford to pay
- provide 75 vehicles for older people's groups through our Senior Mobility Scheme, meeting the growing need for **specialist transport** for older people
- equip and support some 17,000 older people with our **SeniorLink/CareLine** immediate-response units
- set up **three neighbourhood warden schemes** and the Charity's first 'time bank', enabling over 1,000 older people to engage in their communities, and creating neighbourhood networks through the exchange of time and skills
- establish **Hug** in the annual fundraising calendar, building on the success of its first year
- in Northern Ireland, expand our **computer training** and **community development** training programmes
- continue to lobby in Northern Ireland for the extension of the 'Smart Pass' **transport** scheme to women aged 60–65
- press government to develop an integrated **community safety strategy** that will address the fear of crime and reduce actual crime against older people in Northern Ireland
- campaign to raise older people's concerns about the rising **cost of essential services**, including Council Tax, water and fuel bills, urging Government to provide more support through better concessions.

## WE WILL CHALLENGE NEGLECT

### Key facts

- Some 500,000 older people may be experiencing abuse at any one time
- Clinical depression affects about 40 per cent of older people living in care homes
- 30 per cent of over-65s, and half of those aged 85+, suffer a fall each year
- Low-level social care at home has been cut by one-third over the last ten years

### In 2004/05 we said we would:

- champion the provision of falls prevention services throughout the UK
- launch our research on foot-care services, and on mental illness and depression
- campaign for more local chiropody and foot-care services
- campaign for and promote best practice for the diagnosis and treatment of mental illness, particularly depression
- lobby to increase the number of long-term care beds, to increase funding, and to improve the quality of life in residential and nursing homes
- campaign against all forms of abuse of older people and ensure that systems are in place to protect them and their human rights
- investigate how health and social care can be brought more closely together to improve overall quality of care
- attempt to quantify the scale of unmet care needs of older people living in their own homes
- review how well the Government has delivered its promised health plans and standards.

### During this year we have:

- linked with over 3,000 practitioners to develop **falls prevention services** throughout the UK, supported by an exercise video in four languages
- published research on **depression** in later life, highlighting the impact of life's 'daily hassles' on older people's mental well-being. Policy makers and practitioners now recognise older-age depression and are to address related care and social needs
- helped bring about the **Mental Capacity Act**, which governs decision-making on behalf of adults with impaired mental capacity and gives older people and their loved ones more direct control over their everyday lives
- persuaded Government to review the provision of **continuing care**, which has resulted in a new national framework to address the present confusion over NHS funding of long-term care costs
- provided evidence to the Office of Fair Trading inquiry into the **care homes** market and worked on a programme to improve the **quality of life** for care-home residents
- begun to push the scandal of **elder abuse** higher up the public, media and political agenda through publications, media work and involvement in Comic Relief
- led the Mobilise campaign to challenge **unfair disability benefits** that leave many over-65s without vital support. An Early Day Motion was signed by 243 MPs in support of the campaign
- in *Our Neglected Assets* submitted a strong case on how **health and social care** can be brought more closely together to improve the quality of care and the efficiency with which money is spent
- worked with other organisations to produce a report drawing attention to the lack of **resources for social care services**, including care homes, and the resulting impact on older people's lives
- reviewed the **delivery of government health plans** with the Older People's Reference Group and the Department of Health to influence the implementation of the National Service Framework for Older People.

## Highlights from around the UK

### Wales

- campaigned for free **domiciliary care**, in liaison with the Coalition on Charging Cymru.

### Northern Ireland

- helped to establish the **Elder Abuse Alliance**, a local partnership of voluntary organisations working on the abuse of older people.

### England

- in Bradford, through a joint fund with the local authority, helped to purchase **exercise equipment** for the Vine Day Centre
- worked in Birmingham to provide members of the Chinese Community Day Centre with free **blood pressure checks** and advice
- worked alongside the Asian Elders in Aston Group towards setting up social **daycare activities** for older Asian people
- helped raise funds for the now-completed Hartlepool and District **hospice**
- provided support through Henshaw's Society for Blind People to **'buddy'** people who have just lost their sight
- distributed £672,000 through 282 payments, to **specialist care services** (daycare centers, hospices, carers support services, homelessness, disability support), transport and other projects.

### Next year we will:

- highlight the unacceptable experiences of older people who are dying, and work with government, key professionals and older people to **improve quality of life in the final years**
- launch a major UK-wide campaign on **elder abuse** to draw attention to its prevalence and help stop it, and in Scotland, promote a **Vulnerable Adults Bill**
- in Scotland, identify the demand for low-level but essential **primary care** services, and bring **mental health** and suicide higher up the agenda in Scotland's 'Choose Life' programme
- in Northern Ireland, pilot models to ensure older people's voices are heard by policy makers in **health and social care planning and service delivery**, and seek to increase the range of independent **advocacy services** when making challenging life decisions
- undertake new research on access, dignity and rights within **care services**, and seek to ensure that older people have equitable access to these
- focus attention on the **quality of life of care-home residents**
- continue to press for closer liaison between **health and social services**
- work to ensure that, as they age, people are helped at the earliest stage to **stay independent** and in control, including the launch of a major research project on foot care.

## WE WILL DEFEAT AGEISM

### Key facts

- Disability Living Allowance is denied to new claimants over 65
- Employees aged 55–64 are twice as likely as others to be made redundant when organisations restructure
- Older women over 70 are not automatically called for breast cancer screening

### In 2004/05 we said we would:

- expand the Speaking Up for Our Age forum network and raise issues of concern to older people with local decision-making bodies
- implement a programme to take into account the diversity of older people with whom we work
- investigate age discrimination in insurance, and campaign on human rights and inequality in social care
- press for all public bodies to have a duty to promote age equality
- develop and launch an age awareness training toolkit for use by local authorities in Wales
- work with universities on age discrimination research.

### During this year we have:

- supported some 400 forums across the UK in the **Speaking Up for Our Age** programme with training in media, committee, fundraising and research skills to enable them to campaign locally and have older people's needs met in the planning and delivery of local services
- established a cross-charity **equality and diversity group** to help us recognise and promote diversity among employees, volunteers, donors, customers and beneficiaries
- launched a pilot scheme to enable non-English speakers to access HandyVan and welfare services in the Manchester area, which will help us identify further ways to support people who have **difficulties accessing our services**
- continued with the Ethnic Elders programme, focusing this year on **housing advice**
- worked with the media and the insurance industry to highlight the concerns of older people about access to and cost of **travel and motor insurance**
- successfully lobbied the Government, both directly and through the Equality and Diversity Forum, to introduce a **Commission for Equality and Human Rights** that will include age
- drew attention to the plight of older people in **care homes** who are not afforded protection under the Human Rights Act
- helped shape government regulations to ban **age discrimination in employment**, due to be implemented in October 2006
- successfully obtained from government the promise of a Single Equality Act that will give age equality the same status as other equal opportunities issues and pave the way for comprehensive **anti-age discrimination** legislation
- secured European Funding for a multi-charity programme, 'Justice in your Job', to help advice workers prepare for the forthcoming **age legislation in employment**.
- started a major **study of age discrimination** with the Open University, due for completion in July 2006.



## Highlights from around the UK

### Wales

- piloted 'Growing Older in Wales' amongst selected local authorities with innovative materials to promote **age equality** in the provision of public goods and services.

### Northern Ireland

- persuaded all 26 district councils to pass a resolution calling on ministers to introduce a **Single Equality Bill**.

### England

- on various local government committees, pressed for **older people's needs** to be taken into account in the design and delivery of local plans, environments and services
- worked with older people to establish forums that enable **older people's voices** to be heard.

### Scotland

- at Scotland's Speaking Up for Our Age conference, attended by several MSPs, raised many issues of concern to older people and began the process of establishing an **Older Persons' Commissioner**

### Next year we will:

- lobby to bring about a Commission for **Equality and Human Rights** and a **Single Equality Act** that will give older people a level playing-field in all aspects of life
- achieve **age legislation** that places a duty on employers to respond to employees' requests to stay on beyond retirement age and offer meaningful employment regardless of chronological age
- work to ensure that the **human rights** of older people receiving care services from the private sector are protected by the Human Rights Act
- continue to expand our **Speaking Up for Our Age network** into those areas of the UK that do not yet have a forum, establish Age Sector Reference Groups, and encourage both to include more **marginalised people** in shaping services and policy through local consultations, alongside our own more targeted research
- develop Village Voice as a **national learning network** of shared experience, practice and policy development for organisations working with older people in rural areas of Britain
- play an influential role in public policy on **adult learning and career guidance** to ensure it becomes more relevant for older people
- secure debate in the Scottish Parliament on **equalities and human rights**
- in Northern Ireland, campaign for the incorporation of **age discrimination**, including goods, facilities and services, into the proposed Single Equality Bill
- launch the 'Growing Older' pack to all local authorities in Wales and support older people to deliver **training**
- campaign for all public bodies to be given a positive **duty to promote age equality**, proposed as an amendment to the current Equality Bill.

## WE WILL PREVENT FUTURE DEPRIVATION

### Key facts

- 2.6m people aged 50–65 are economically inactive, at an annual cost to the economy of £16bn
- The number of people with dementia is set to double to 1.5m by 2031
- 2.8m people aged 50+ provide unpaid care

### In 2004/05 we said we would:

- campaign for more investment in social care to help older people with daily hassles, such as cooking, cleaning and gardening
- press the Government to run a pilot programme of mid-life health, wealth and skills checks to prevent premature dependency
- expand our range of health information and advice
- jointly publish with the Oxford Institute of Ageing *Age Horizons*, a new academic journal on longer-term policy issues associated with global ageing
- fund leading-edge biomedical research and promote to a wide audience of academics and practitioners
- lobby to increase the proportion of government and research councils' R&D budgets spent on ageing research and gerontology courses in higher education
- develop health forecasting in collaboration with the Met Office
- develop our influencing role at national and international levels of the research community to ensure the voices of older people are heard.

### During this year we have:

- persuaded the Government to increase its focus on **social care**, recognised in the highly significant Green Paper on Adult Social Care, which contains proposals for better basic services to prevent avoidable decline in later life. The Department of Health in England plans to help more older people to remain in their own homes for longer, but has proposed only small increases in social care funding compared to NHS investment
- merged the Pennell Initiative on Women's Health with Help the Aged to further our development of **mid-life health, wealth and well-being** checks to reduce premature ageing and dependency. Our efforts helped to persuade Government to promote health and well-being in later life as one of its key priorities
- through the Third Age Employment Network (TAEN), worked closely with government departments to **influence public policy** on work, employment, adult skills, retirement age, and age discrimination legislation. Through its network of 250 partners, TAEN is improving **job brokerage services** for mature jobseekers, and with guidance and learning for older adults it has **better equipped** over half a million older people for today's labour market
- extended our range of health information to cover the **main diseases and disabilities associated with ageing** and made this available through leaflets and via the website
- launched, with the Oxford Institute of Ageing, the new publication *Ageing Horizons*, which looks at the longer-term **implications of an ageing society** for policy development around the world
- through Research into Ageing, awarded about £1.2m in **research grants** for investigation of the ageing process and prevention of age-related disabilities such as bladder infections, retina damage in glaucoma, nutrition and healthy ageing, and incontinence. Also spent some £0.65m on policy and service-related research
- submitted evidence to a House of Lords inquiry into **research on ageing** and established partnerships with four research councils
- established **strategic relationships** with the Alliance on Ageing Research, Washington, DC, participated in the World Ageing Survey by the UN and International Association of Gerontology, and with them completed the international Research Agenda on Ageing
- developed innovative research with the Met Office to improve **health forecasting and early warning systems** for older people in times of excessively cold or hot weather
- distributed over 2.6 million free **advice leaflets**, working with over 14,000 local organisations; issued similar information in large print, on tape, in Braille and on our website.

## Highlights from around the UK

### Wales

- developed, funded and launched Drws Agored (Open Door), a unique £350,000 **community regeneration** resource centre in Nefyn, where older people have helped to establish a unique working model for service delivery involving the community, the voluntary sector and the local authority
- made a major contribution to the Strategy for Older People by launching five new **forums** and co-ordinating [the partnership of existing ones
- worked as members of the Welsh Assembly Government Advisory Group to establish a **Commissioner for Older People**.

### Scotland

- progressed several new **transport** projects in the Western Isles, to the great benefit of Barra, South Uist and Skye
- supported over 20 other projects with **grants** and with practical advice and development aid.

### Northern Ireland

- led the involvement of older people across the country in the development and publication of *Aging in an Inclusive Society*, a strategy to promote the **social inclusion** of older people
- facilitated and supported the development of an **expert group of older people** to inform an older person's strategy for the Eastern Health and Social Services Board.

### Next year we will:

- raise funds to continue to support **biomedical research** that will find causes of and solutions to the diseases and disabilities of later life; also celebrate the 30<sup>th</sup> anniversary of Research into Ageing
- bring the research communities of the UK and across the world closer together, for greater efficiency and **sharing of knowledge** and ideas
- in Wales, continue to contribute to the national development and roll-out of the **Strategy for Older People**
- work to ensure that older people stay healthy, independent and in control as life expectancy increases, promoting **health, wealth and well-being checks** in mid-life and beyond and calling for expanded low-level social care services
- through TAEN, sustain pressure on government to improve opportunities for over-50s to **work, earn and learn**
- launch a National Coalition for Active Ageing to promote **physical activity** for older people and urge the Government to ensure that all older people, particularly the most disadvantaged, can participate in some form of exercise
- continue to work with the Department of Health and the Met Office to research and advise on practical improvements to **prevent temperature-related illness and mortality** in vulnerable older people
- invest in more effective dissemination of **research to influence policy and practice** in order to reduce deprivation in the older population.

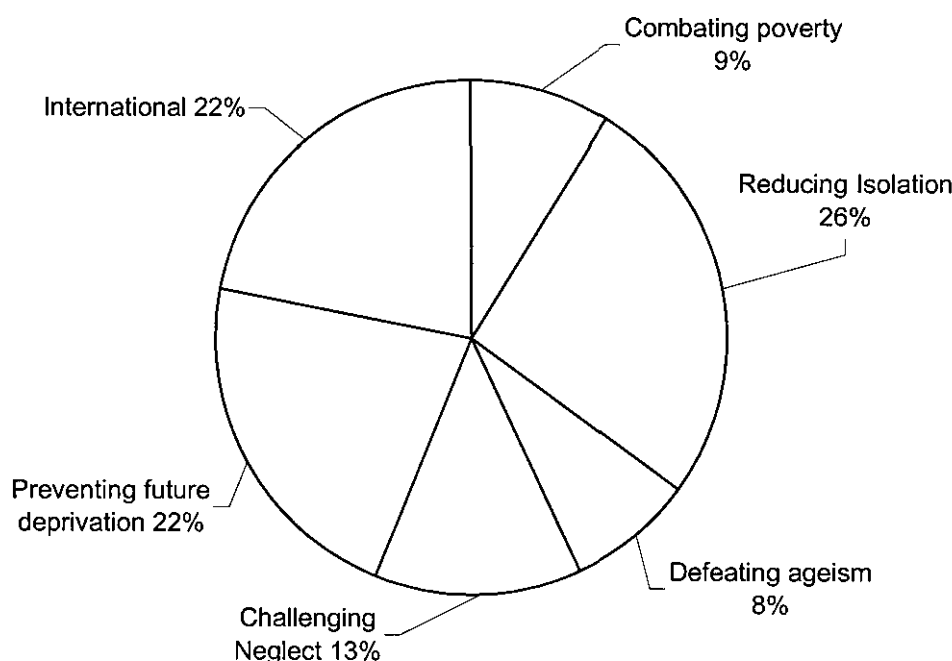
## Financial review 2004/5 (continued)

### Charitable Expenditure

Charitable expenditure for 2004/5 was £28.0 million (2003/4: £30.8m) down from last year because of the Trustees' desire to move closer this year to our target for free reserves, which has been set at three months worth of total unrestricted expenditure. Reserves have increased from £9.6million to £11.4m, and now stand at 86% of the target of £13.2m (2003/4: 68%).

This year the Charity has spent 65 per cent of its net income on charitable expenditure, which is below the annual target of 75 per cent. This is in part due to increasing reserves but also to accounting in 2004/05 for £2.9m Tsunami Appeal income, which is due to be spent in 2005/6. Allowing for the Tsunami Appeal income, the ratio would be 69 per cent. (For this purpose, the net contribution (gross income less related costs) of the sale of donated and bought-in goods, merchandising and events is treated as income, because these are seen as activities that provide a margin towards the work of the Charity).

### Charitable activities £28.0 Million



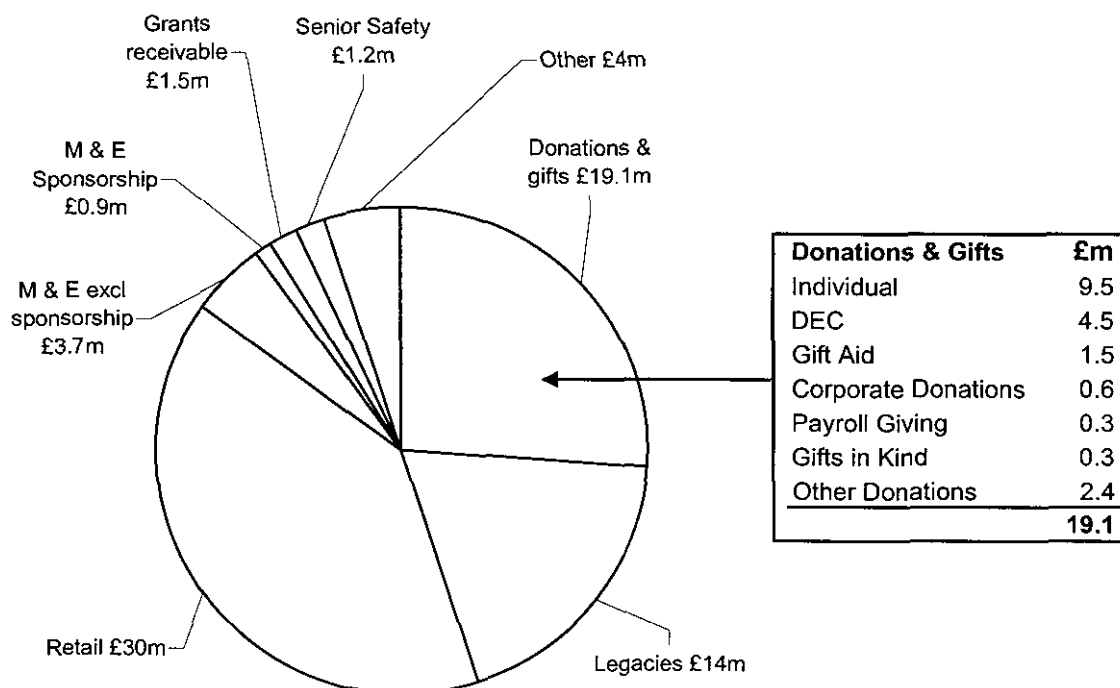
### Income and Funding

In 2004/5 income was £74.4 million, up over 6% on last year (2003/4: £70.1m). Allowing for £3.8m of Tsunami related monies, total income increased to £70.6m. Legacies at almost £14.0m (2003/4: £12.5m) were at a record level. There was little movement in the Charity's other major sources of income, although the Tsunami Appeal income increased donations and gifts to £19.1m (2003/4: £15.4m).

Help the Aged has a strategy of attracting income from a wide range of sources. These are illustrated in the graph overleaf. 46% of our total income comes from voluntary sources, 47% from various activities for generating funds, and 7% from charitable activities and financial income. Within voluntary income there is £1.5m of grant funding, which is mainly from charitable trusts and statutory bodies.

In addition to the income of £74.4m, Help the Aged was instrumental in raising a further £2.1 million for older people: £0.5 million for HelpAge International from government and EU sources for co-funding projects; and £1.6 million for other UK charities that share the objectives of Help the Aged.

### Income by source £74.4 Million



### Fundraising

The cost of generating funds fell by £0.9m to £40.6m in 2004/5. Seventy-six percent of these costs were on trading areas, which generate a profit margin towards the work of the Charity. The £9.6m spent on generating voluntary income was £1.4 million down on 2003/4 and has resulted in a fundraising ratio of 28%; excluding the Tsunami appeal, the ratio is 31%. This compares to 37% in 2003/4.

Over the last four years the Charity has invested £3.6 million in upgrading its fundraising database system to improve future income. This database went live towards the end of 2004/5 with an expenditure of £1.1 million in the year. Allowing for this the fundraising ratio is 25% (28% if the Tsunami Appeal income is excluded) which moves towards the Trustees medium term target of 25%.

Within the overall fundraising ratio, marketing has a ratio of costs to income of 43%, legacies a ratio of 7%, and grants a ratio of 22%.

The margin on donated and bought-in goods was eight per cent in 2004/5, below the 10 to 11 per cent we have seen over the last four years. This year high street trading has been difficult. However, the Charity will be launching a number of initiatives to try to improve this margin over the next year.

Improvement in global stock markets continued in 2004/5 and led to an unrealised gain of £0.7 million (2003/4: 1.6 million).

# Corporate governance

## Governance, decision making

The Charity is a company Limited by guarantee, governed by a memorandum and articles of association. The objects for which the Company is established are to promote the welfare of the aged in any manner which now or hereafter may be deemed to be charitable by law in any part of the world and for such other ancillary charitable purposes as the Trustees may determine and in relation to any of such objects to follow the Christian injunctions.

The governing body of the Charity is the Board of Trustees, which comprises 19 members and meets six times a year, including a conference to review strategy and performance, together with the Director General and Executive Directors.

The Board has established six formally constituted sub-committees, each with specific terms of reference and functions delegated by the Board and with a Trustee as chairman, appointed by the Board: Finance, Audit, Nominations, Remuneration, Property and International. There are a number of other committees to help with the day-to-day running of the Charity and each Trustee has a direct link to support one or more Directors.

The Finance Committee oversees all financial aspects of the Charity's operations so as to ensure short and long term viability. It reviews the three-year plan and budget and monitors performance against them and financial forecasts. It approves the presentation of financial information. The Finance Committee reviews the Charity's investment strategy and monitors investment performance.

The Audit Committee reviews the audited annual financial statements of the Charity and recommends them to the Board of Trustees. It also reviews the Charity's annual statement on internal control and its compliance with Turnbull guidance, and recommends it to the Board. The Audit Committee reviews reports from the external and internal auditors, and monitors management actions to implement recommendations made in audit reports. It determines the frequency and process of tendering for external audit services, considers the appointment, resignation or dismissal of the external auditors, approves their fee annually, reviews their independence and objectivity and matters relating to non audit services and formally reviews the performance of the external auditors every three years.

The Remuneration Committee continually reviews employment and remuneration policy, determines the salary of the Director General and the Executive Directors and approves the annual employee percentage salary increase.

The Property Committee considers the disposition of property by the Charity.

The International Committee approves and periodically reviews the Charity's strategy for supporting older people overseas, ensuring its appropriateness alongside the work of other agencies and its consistency with the Charity's strategy as a whole. It oversees and monitors the delivery of the international work programme and ensures that value for money and financial probity is achieved in all funded programmes of international work and operating overheads.

The Nominations Committee leads the process of Trustee appointments, manages the process for the appointment of the Chairman of the Board of Trustees and decides upon an appropriate procedure for the selection of a new Director General. The Nominations Committee leads the process for recruiting new trustees based on an evaluation of the balance of diverse skills and experience needed to govern the Charity in its breadth. Newly appointed trustees receive a letter of appointment and an induction programme which together covers general responsibilities, committee membership and involvement outside of formal trustees' meetings. Emphasis is placed on close and regular consultation with trustees individually and collectively. Trustees are elected normally for a three-year period and may be re-elected for further three-year periods.

The Director General and Finance Director attend meetings of the Finance Committee, The Director General, the Finance Director, the Charity's internal auditor and the external auditor attend meetings of the Audit Committee. The Director General attends meetings of the Nominations Committee and the Remuneration Committee. The Charity's head of property and facilities attends meetings of the Property Committee. The Director General, the Director of Policy, Research and International Development and the Charity's international manager attend meetings of the International Committee.

A review of governance was conducted in 1997 and a current review is underway.

## Corporate governance (continued)

### Statement of Trustees' responsibilities

UK Company and charity law require the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and its subsidiaries as at the end of the financial year and of the surplus or deficit for that period. In preparing those financial statements, the Trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and its subsidiaries and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice 'Accounting and reporting by charities'. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Risk and internal control

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant laws and regulations.

As part of the Charity's risk management process the Trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the Trustees that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The Trustees, through the Executive Directors, have set policies on risk and internal controls, which cover the following:

- the responsibility of management to implement the Trustees' policies and identify and evaluate risks for their consideration on an ongoing basis;
- consideration of the type of risks the Charity faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Charity's ability to reduce the incidence and impact on the business of risks that do materialise;
- the costs of operating particular controls relative to the benefit obtained; and
- arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken.

During this year the Charity has further developed, tuned and embedded the formal risk management process originally introduced in 2000/1 and progressed in subsequent years. This year the Trustees have reviewed and revised their policy statement on risk management and further strengthened the charity's approach to the management of its reputational risks. Workshops have again been held, both by the Executive Directors as a group and by the Directors individually with their management teams, aimed at reviewing the types of risks the Charity and each operating division and its departments face, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The charity risk map and risk register, together with individual divisional risk registers, identifying strengths and weaknesses of control together with actions required and taken to rectify the latter, have been prepared, updated and reviewed regularly by the Directors and management. The charity's risk register and risk map are formally reviewed and updated by the directors each year, and are reviewed by the audit committee annually.

During the year the Trustees, through the offices of the Audit Committee, have received reports from the Directors and from the external and internal auditors relating to risk and control. These include an overall report on the status of the risk management process and the system of internal control at the end of the year. The reports have enabled the Trustees to satisfy themselves that the above policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year end.

### Turnbull Compliance

The Trustees are pleased to report that the Charity's internal control system again fully complied during this year with the guidelines issued by the Charity Commission. Work undertaken during the year has enabled further considerable progress to be made in order to fully comply with the guidance for directors of public listed companies contained within the Turnbull report. The Trustees opinion is that compliance has been achieved in all areas except for Information and Communication, and when work in this area is completed the Charity will fully comply with the guidance for directors of public listed companies contained within the Turnbull report. The Trustees believe that although the latter is not mandatory for the Charity, the Charity should, as a public interest body, adopt the guidance as best practice.

## Corporate governance (continued)

### Reserves

The Trustees have adopted a reserves policy, which they consider appropriate to ensure the continued ability of the Charity to meet its objectives.

During the year the Trustees reviewed the reserves policy. Consideration was given to assessing the risk, probability and likely impact on our ability to meet our financial obligations or reduce our expenditure in the short term as a result of a decline in income, ensuring that the Charity is in a position to maximise investment opportunity.

### General reserves

As a result, over the medium term, the Charity aims to build free reserves to a level which will provide a minimum of thirteen weeks' total unrestricted resources expended. At 30 April 2005 that level should be £13.2 million and free funds stand at £11.4 million.

The trustees have agreed a business plan that shows further progress towards the target should be achieved during 2005/06.

The actuarial valuation of the Help the Aged pension scheme at 30 April 2005, for the purposes of FRS 17, showed a funding deficit of £6.2 million which is included in unrestricted funds as required by FRS17. The corresponding liability does not result in an immediate cash flow impact on the charity. A full triannual actuarial valuation of the pension fund is due to take place in 30 September 2006. The contributions to plan will be adjusted to take account of the result of this valuation. Contributions into the pension plan are met through planned income. The pension liability is, therefore, excluded from the free reserves calculation. Details of the retirement benefit scheme are disclosed in Note 23 to the accounts.

The grant commitment to international aid programmes for 2005/6 has been treated as a liability and charged in the financial statements. This creates negative balances on these funds, which will be matched by anticipated restricted income or a transfer from general funds.

### Investments

The Trustees agreed the following statement of investment principles at a meeting of the Board on 25 March 2005:

- Investment decisions are taken by the Finance Committee whose members have a finance, investment or commercial background.
- The Charity's investment policy is to maximise real returns over time subject to holding a portfolio of cash and equity investments in order to diversify risk.
- It is the Charity's intention to hold sufficient cash levels to meet fluctuating needs up to a maximum of £10 million. Amounts above that are invested in accordance with the equity investment policy.
- Equity investments are allocated 50 per cent in UK equities and 50 per cent in overseas equities. This strategy was developed with the advice of Bacon and Woodrow and takes into account the nature of the Charity's business as reflected in its business plan. Also, it bears in mind that equity is inherently volatile in performance terms and until a significant unrealised profit has been developed, it would be prudent to retain a significant level of cash reserves.
- The Charity has a diversified investment portfolio with an overall low risk. Investing in shares is considered a low-to-medium risk; however, the Charishare fund is seen as a low risk equity fund, aiming for long-term capital growth and reducing inflationary risks.
- The Charity has mandates with Merrill Lynch Investment Managers, in whose Charishare fund its UK equities are invested, and Barclays Global Investors, in whose Aquila funds its overseas investments are invested. The fee structures are:

Charishare	Under the terms of its investment management agreement with Merrill Lynch Investment Managers, Help the Aged receives a partial rebate of the management fees accruing on its holding in Charishare so as to result in an overall fee rate of 0.45 per cent per annum on the first £10 million, 0.35 per cent of the market value of the fund per annum on the next £10 million and 0.30 per cent of the market value of the fund thereafter.
Aquila	0.20 per cent of the market value of fund per annum.

- The Charity holds an annual meeting with its investment managers to review overall performance of its investments.



## Corporate governance (continued)

At 30 April 2005 the Charity's investment details and performance against benchmark were:

Fund	Mkt value 30/4/04	Additions in year	Disposals in year	Mkt value 30/4/05	Allocation on Mkt value	Investment Allocation Benchmark	Fund Return	Index Return	Comparison against benchmark
	£'000	£'000	£'000	£'000	%	%	%	%	%
Charishare	6,730	6	(2,095)	5,172	49.94	50.00	12.30	10.70	1.60
BGI Aquila Funds	2,963	2,094	0	5,155	49.78	50.00	3.30	2.70	0.60
US	928	857	0	1,760	16.99	17.00	(2.70)	(1.20)	(1.50)
Europe (Ex UK)	1,018	541	0	1,634	15.78	16.00	7.40	10.00	(2.60)
Japan	504	670	0	1,139	11.00	11.00	16.00	20.10	(4.10)
Pacific Rim	513	26	0	622	6.01	6.00	(7.10)	(6.20)	(0.90)
Cash	53	2,600	(2,623)	30	0.28	0.00	0.00	0.00	0.00
	<b>9,746</b>	<b>4,700</b>	<b>(4,718)</b>	<b>10,357</b>	<b>100.00</b>	<b>100.00</b>	<b>9.70</b>	<b>9.00</b>	<b>0.70</b>

Index figures are provided by Russell Melon CAPS

The group's cash deposits are placed on its behalf by Prebon Marshall Yamane with a limit of £2 million per institution, excluding Barclays, our bankers, with whom there is no limit, and each institution's credit rating must be no less than 'AA – Fitch IbcA'.

At 30 April 2005 the group's cash and short-term deposits stood at £7.7 million. During the year the average return made by the group's cash deposits was 4.6% against an average bank rate of 4.6%.

The Charity's investment policy for endowed funds is to have a diversified portfolio as appropriate to the circumstances of the fund.

There is an unrealised gain on the Fledgling bond and UK equity fund units of £38,312 (2004: £58,286), held by the charity of C E Saunders, an endowed fund of the Charity.

There is an unrealised gain on the Fledgling bond and UK equity fund units of £40,943 (2004: £58,262), held in the Gillingham Endowed Fund.

There is an unrealised gain on the Fledgling bond and UK equity fund units of £2,713 (2004: £1,703), held by the charity of Miss Edna Lipson, an endowed fund of the Charity.

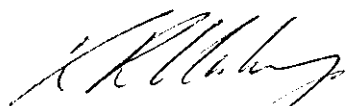
The Trustees are currently considering whether an ethical approach to the Charity's investments would be appropriate.

### Grant making policies

All projects that are accepted for assistance must be able to demonstrate significant use of their project or facilities by older people and/or their carers and must be a voluntary or charitable organisation. Work should support community based resources that offer:

- new services, meeting identified need where no other service exists;
- work with or for marginalised groups; or
- work carried out directly with or for the benefit of frail, isolated older people and/or their carers.

Approved by the Board and signed on its behalf on 14 July 2005 by:



Company Secretary

# Independent auditors' report

## To the Members of Help the Aged

We have audited the financial statements of Help the Aged for the year ended 30 April 2005, which comprise the Statement of financial activities, Balance sheets, Cash flow statement and the related notes numbered 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 company and the charity's members as a body, for our audit work, for this report, or the opinions we have formed.

## Respective responsibilities of directors and auditors

The Trustees, who are also the directors of Help the Aged for the purposes of company law, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards as set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements; if the company has not kept proper accounting records; if we have not received all the information and explanations we require for our audit; or if information specified by law regarding Trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the other information as described in the contents page and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the charitable company and of the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and of the group at 30 April 2005 and of the group's incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*  
**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London  
14 July 2005

# Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)

For the year ended 30 April 2005

		Unrestricted funds £'000	Restricted funds £'000	Total 2005 £'000	Restated Total funds 2004 £'000
<b>Incoming resources</b>	Notes				
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donations and gifts		5,252	13,831	19,083	15,374
Legacies		12,367	1,605	13,972	12,537
Grants		428	1,070	1,498	1,715
Activities for generating funds					
Sale of donated and bought in goods		29,989	-	29,989	29,987
Merchandising and events		4,387	246	4,633	4,300
Sale of services by joint venture	13	-	-	-	220
Share of net interest in joint venture	13	-	-	-	(1)
Investment income	2	646	142	788	654
<b>Incoming resources from charitable activities</b>					
Reducing isolation	5	697	1,110	1,807	2,488
Challenging neglect	5	284	38	322	573
Preventing future deprivation	5	1,285	251	1,536	2,034
International	5	165	-	165	166
<b>Other incoming resources</b>					
Gain on disposal of fixed assets		652	-	652	292
<b>Total incoming resources including share of Joint venture</b>		<b>56,152</b>	<b>18,293</b>	<b>74,445</b>	<b>70,339</b>
Less share of joint venture	13	-	-	-	219
<b>Total incoming resources</b>		<b>56,152</b>	<b>18,293</b>	<b>74,445</b>	<b>70,120</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Fundraising		5,029	3,211	8,240	9,437
Legacies		1,008	2	1,010	1,060
Grants		235	96	331	461
Fundraising trading: costs of goods sold and other costs					
Cost of selling donated and bought in goods		27,510	-	27,510	26,923
Merchandising & events costs		3,381	88	3,469	3,617
Investment management costs		62	-	62	36
		<b>37,225</b>	<b>3,397</b>	<b>40,622</b>	<b>41,534</b>
<b>Net income available for charitable activities</b>		<b>18,927</b>	<b>14,896</b>	<b>33,823</b>	<b>28,586</b>
<b>Charitable activities</b>					
Combating poverty		2,159	272	2,431	2,618
Reducing isolation		4,398	2,913	7,311	9,023
Defeating ageism		1,344	777	2,121	2,615
Challenging neglect		3,133	438	3,571	3,848
Preventing future deprivation		3,863	2,462	6,325	7,590
International		590	5,691	6,281	5,089
		<b>15,487</b>	<b>12,553</b>	<b>28,040</b>	<b>30,783</b>
<b>Governance</b>		<b>230</b>	<b>-</b>	<b>230</b>	<b>215</b>
<b>Other resources expended</b>					
Taxation	8	-	-	-	17
Share of taxation in joint venture	13	-	-	-	1
<b>Total resources expended before joint venture and transfers</b>		<b>52,942</b>	<b>15,950</b>	<b>68,892</b>	<b>72,550</b>
<b>Net incoming / (outgoing) resources before joint venture and transfers</b>		<b>3,210</b>	<b>2,343</b>	<b>5,553</b>	<b>(2,430)</b>
<b>Share of operating (loss) of joint venture</b>	13	<b>(10)</b>	<b>-</b>	<b>(10)</b>	<b>(17)</b>
<b>Transfers</b>	19	<b>(1,513)</b>	<b>1,513</b>	<b>-</b>	<b>-</b>
<b>Net income for the year</b>		<b>1,687</b>	<b>3,856</b>	<b>5,543</b>	<b>(2,447)</b>
<b>Gains on investment assets</b>		<b>631</b>	<b>82</b>	<b>713</b>	<b>1,562</b>
<b>Actuarial gains/losses on defined benefit pension schemes</b>	23	<b>(754)</b>	<b>-</b>	<b>(754)</b>	<b>2,625</b>
<b>Net movement in funds</b>	11	<b>1,564</b>	<b>3,938</b>	<b>5,502</b>	<b>1,740</b>
<b>Reconciliation of funds</b>					
Total funds brought forward as reported	27	11,248	2,936	14,184	14,856
Prior year adjustment	27	(5,153)	-	(5,153)	(7,564)
Restated	19,27	6,095	2,936	9,031	7,291
<b>Total funds carried forward</b>	19	<b>7,659</b>	<b>6,874</b>	<b>14,533</b>	<b>9,031</b>

All Restricted funds received and expended relate to income funds. The Restricted funds brought forward and carried forward also include the following endowed funds: The Charity of C E Saunders £710,718 (2004: £672,387), there was an unrealised gain of £38,312 (2004: £58,286) on the Charity of C E Saunders Fund. The Gillingham Endowed Fund £785,950 (2004: £745,006), there was an unrealised gain of £40,943 (2004: £58,262) on the Gillingham Endowed Fund. The Charity of Miss Edna Lipson £53,906 (2004: £51,193), there was an unrealised gain of £2,713 (2004: £1,703) on the Charity of Miss Edna Lipson Fund.

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes was £5,543k (2004: deficit of £2,447k).

The accompanying notes are an integral part of this consolidated statement of financial activities.

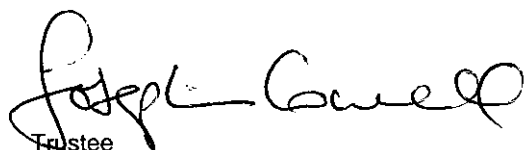
# Balance sheets

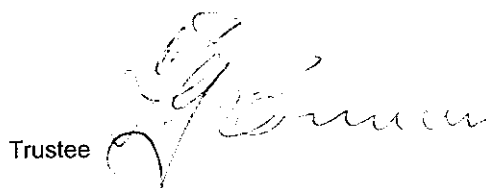
As at 30 April 2005

	Notes	Group		Charity	
		2005 £'000	Restated 2004 £'000	2005 £'000	Restated 2004 £'000
<b>Fixed assets</b>					
Tangible assets					
Housing properties		7,951	9,128	7,951	9,128
Other assets		2,533	1,873	2,533	1,873
	12	10,484	11,001	10,484	11,001
Investments	13	13,916	11,221	13,993	11,314
Investment in joint venture					
- share of gross assets	13	-	62	-	-
- share of gross liabilities	13	-	(46)	-	-
		24,400	22,238	24,477	22,315
<b>Current assets</b>					
Stocks		223	450	-	-
<b>Debtors:</b>					
Amounts falling due within one year	14	7,971	4,193	9,061	4,742
Amounts falling due after more than one year	15	-	-	1,749	1,734
Cash at bank and in hand		7,709	6,636	4,135	3,746
		15,903	11,279	14,945	10,222
<b>Creditors:</b>					
Amounts falling due within one year	16	(11,704)	(11,639)	(10,864)	(10,771)
<b>Net current assets / (liabilities)</b>		4,199	(360)	4,081	(549)
<b>Total assets less current liabilities</b>		28,599	21,878	28,558	21,766
<b>Creditors:</b>					
Amounts falling due after more than one yr	17	(2,112)	(2,439)	(2,112)	(2,439)
Provision for liabilities and charges	18	(5,790)	(5,270)	(5,790)	(5,270)
<b>Net assets excluding pension liability</b>		20,697	14,169	20,656	14,057
Defined benefit pension scheme liability	23	(6,164)	(5,138)	(6,164)	(5,138)
<b>Net assets including pension liability</b>		14,533	9,031	14,492	8,919
<b>Funds</b>					
Endowment	19	1,550	1,468	1,550	1,468
<b>Restricted:</b>					
Restricted – United Kingdom	19	5,634	4,975	5,634	4,975
Restricted – International	19	(310)	(3,507)	(310)	(3,507)
<b>Unrestricted:</b>					
Designated	19	2,444	1,666	2,444	1,666
General	19	11,338	9,440	11,338	9,455
Pension Reserve	19	(6,164)	(5,138)	(6,164)	(5,138)
<b>Non-charitable excluding joint venture</b>	4	41	111	-	-
<b>Joint venture</b>	13	-	16	-	-
<b>Total funds</b>	19	14,533	9,031	14,492	8,919

The accompanying notes are an integral part of these balance sheets.

The financial statements on pages 25 to 43 were approved by the Board of Trustees on 14 July 2005 and signed on their behalf by:

  
Trustee

  
Trustee

# Consolidated cash flow statement

For the year ended 30 April 2005

	Notes	2005		Restated 2004	
		£'000	£'000	£'000	£'000
<b>Net cash inflow / (outflow) from operating activities</b>	21		2,574		(1,522)
<b>Returns on investments</b>			788		652
<b>Taxation</b>			-		17
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets	12	(1,218)		(2,094)	
Receipts on sale of tangible fixed assets		944		724	
Purchase of investments	13	(11,077)		(70)	
Receipts on sale of investments	13	9,101		1,954	
			(2,250)		514
<b>Net cash inflow / (outflow) before financing</b>			1,112		(339)
<b>Financing</b>					
Net repayment of interest free loans	22		(39)		(79)
<b>Increase / (decrease) in cash</b>			1,073		(418)

The accompanying notes are an integral part of this consolidated cash flow statement.

## Notes to the financial statements

### 1 Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

#### *a) Basis of preparation*

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

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line-by-line basis. In the group financial statements, the joint venture is accounted for using the gross equity method. The consolidated SOFA includes the group's share of joint venture profits less losses, while the group's share of the net assets of the joint venture is shown in the consolidated balance sheet. The results included for the joint venture in Fold Help are derived from unaudited accounts. Goodwill arising on the acquisition of the joint venture is accounted for in accordance with the policy set out below. Any unamortised balance of goodwill is included in the carrying value of the investment in the joint venture.

The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 327 of the SORP.

Certain prior year figures have been restated due to:

- SORP 2005 – the charity has implemented SORP 2005 early.
- FRS 17 – Retirement benefits: the charity has adopted full disclosure of this standard early replacing the use of actuarial values for assets in a pension scheme in favour of a market-based approach. In order to cope with the volatility inherent in this measurement basis, the standard requires that the relatively stable ongoing service cost, interest cost and expected return on assets are shown separately from the movements in market value.
- A review of the accounting treatment of the investment in Fold Help Limited.

#### *b) Company status*

The Charity is a company limited by guarantee. The members of the company are the Trustees who are also ordinary members and named on page 44. 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.

#### *c) Fund accounting*

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the Trustees for particular purposes. At the year end they comprise a maintenance fund, which represents the cyclical repairs and maintenance of the Charity's properties; a major works reserve for the Charity's head office building; a discretionary projects reserve to cover specific projects that have been identified and ranked by Directors and a pensions reserve to cover the special employer's contribution into the defined benefits pension scheme for 2005/6.

Restricted funds are funds subject to special conditions imposed by the donor, or with their authority (e.g. through a public appeal such as the DEC Tsunami appeal) or created through a legal process. The funds are not therefore available for work performed by Help the Aged other than that specified by the donor.

Investment income and gains/losses are allocated to the appropriate fund, except that the income from the charity of C E Saunders, the charity of Miss Edna Lipson and the Gillingham Endowment fund is unrestricted.

#### *d) Incoming resources*

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

- Legacies: entitlement is the earlier of estate account being finalised and cash received.
- Donated services and facilities: are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.
- 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 the resale are included as income when they are sold at the price they are sold.
- Grants: where related to performance and specific deliverables are 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.

## Notes to the financial statements (continued)

### e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Central Overhead costs are allocated to operational and fundraising functions on the basis of their use of central support services.

- Grants are charged to the statement of financial activities when a constructive obligation exists notwithstanding that they may be paid in future accounting periods.
- Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.
- Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charity's activities.
- Support costs, which include the central or regional office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources, and financing are allocated across the categories of charitable expenditure, governance costs and the costs of generating funds. The basis of the cost allocation has been explained in note 7 to the accounts.
- Where information about the aims, objectives and projects of the charity is provided in the content of fundraising material in an educational manner in the furtherance of the charities objectives, those costs are apportioned to charitable expenditure.
- Irrecoverable VAT is charged as a cost to the statement of financial activity.

### f) Goodwill

Goodwill arising on the acquisition of subsidiaries and businesses represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised within intangible fixed assets and is written off on a straight-line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

### g) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,000 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 50 years
Gifted housing	over 50 years
Short leasehold properties	over 5 years
Fixtures and fittings	over 5 years
Motor vehicles	over 4 years
Computer equipment	over 4 years

### h) 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.

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 Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the investment portfolio throughout the year. Movements in value arising from investment changes or revaluation and the profit on disposal of investments have been charged or credited to the funds to which they relate.

### i) Stock

Stock consist of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

### j) Leased assets

The Charity has no finance leases. All operating leases and rental expenses are charged to the SOFA as incurred.

### k) Gifted housing scheme

Gifted houses are accounted for as income when donated at market value. A qualified surveyor carries out the valuations. When an individual donates a house to the Charity, the Charity is committed to caring for that individual. An actuarial valuation of the total cost of care for individuals who have gifted their house is made and the sum is included within provision for liabilities and charges. Costs of care are charged to the provision as incurred (Note 18).

## Notes to the financial statements (continued)

### 1) Pensions

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

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

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

The Charity contributes to a defined benefits scheme which was closed to new entrants on 31 July 2002.

The Charity contributes to a group personal pension plan operated by Standard Life. The plan was started on 1 August 2002 and is open 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.

## 2 Investment income

	2005	Restated 2004
	£'000	£'000
Dividend income	450	399
Short-term deposits	338	255
	<b>788</b>	<b>654</b>

## 3 Results from Research into Ageing

	Restricted Fund	Restated Total
	2005	2004
	£'000	£'000
<b>Incoming resources</b>		
Donations and gifts	516	845
Legacies receivable	524	378
Grants and income received from trusts	222	153
Investment income	1	16
<b>Total incoming resources</b>	<b>1,263</b>	<b>1,392</b>
<b>Resources expended</b>		
Cost of generating funds		
Fundraising expenditure	(263)	(318)
Legacies	(2)	(1)
Grants receivable	(96)	(133)
Charitable activities		
Combating poverty	(21)	(33)
Reducing isolation	(20)	(31)
Defeating ageism	(17)	(27)
Promoting quality in care	(22)	(34)
Preventing future deprivation	(1,412)	(2,119)
<b>Total resources expended</b>	<b>(1,853)</b>	<b>(2,696)</b>
<b>Net income for the year</b>	<b>(590)</b>	<b>(1,304)</b>
Transfers from Help the Aged	422	1,408
<b>Net movement in funds</b>	<b>(168)</b>	<b>104</b>
<b>Fund balances at 1 May</b>	<b>231</b>	<b>127</b>
<b>Fund balances at 30 April</b>	<b>63</b>	<b>231</b>

The results of the special Trust Research into Ageing have been incorporated into the financial statements on a line-by-line basis.



## Notes to the financial statements (continued)

### 4 Results from trading activities of subsidiaries

The Charity has two wholly owned trading subsidiaries which are incorporated in Great Britain. Help the Aged (Trading) Limited raises funds via commercial activities and sponsorship. Help the Aged (Mail Order) Limited sells aid products, Christmas cards and other merchandise by mail order catalogue, together with the sale of merchandise via shops. Both companies donate their taxable profits to Help the Aged under Gift Aid, subject to their working capital requirements being maintained. At 31 December 2004 Mail Order Limited disposed of its business activity dealing with payroll giving recruitment.

	Help the Aged (Mail Order) Ltd Continuing 2005 £'000	Help the Aged (Mail Order) Ltd Discontinuing 2005 £'000	Help the Aged (Mail Order) Ltd Total 2005 £'000	Help the Aged (Trading) Ltd 2005 £'000	Total 2005 £'000	Total 2004 £'000
<b>Incoming resources</b>						
Donations and gifts	-	-	-	884	884	537
Merchandising and events	668	2,572	3,240	2,945	6,185	6,728
Investment income	-	64	64	54	118	120
<b>Total incoming resources</b>	668	2,636	3,304	3,883	7,187	7,385
<b>Total costs</b>	(885)	(2,489)	(3,374)	(2,185)	(5,559)	(6,118)
Net movement for the year	(217)	147	(70)	1,698	1,628	1,267
Gift Aid payable to Help the Aged	-	-	-	(1,698)	(1,698)	(1,104)
Taxation	-	-	-	-	-	(17)
Retained profit for the year	(217)	147	(70)	-	(70)	146
Funds brought forward at 1 May 2004			105	6	111	(35)
Funds carried forward at 30 April 2005			35	6	41	111
<b>Total assets</b>	-	2,027	2,027	2,378	4,405	3,893
<b>Total liabilities</b>	-	(1,924)	(1,924)	(2,362)	(4,286)	(3,705)

### 5 Incoming resources from charitable activities

	Reducing isolation £'000	Challenging neglect £'000	Preventing future deprivation £'000	International £'000	2005 Total £'000	2004 Total £'000
Housing and care	-	322	320	-	642	1,145
Community transport	656	-	219	-	875	1,559
Senior safety	1,151	-	-	-	1,151	1,319
Sale of aid products	-	-	997	-	997	1,072
Rent receivable	-	-	-	165	165	166
	1,807	322	1,536	165	3,830	5,261

## Notes to the financial statements (continued)

### 6 Total Resources Expended

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	2005 Total £'000	2004 Total £'000
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Fundraising	6,455	-	1,785	8,240	9,437
Legacies receivable	816	-	194	1,010	1,060
Grants receivable	225	-	106	331	461
Fundraising trading: costs of goods sold and other costs					
Cost of selling donated and bought in goods	26,240	-	1,270	27,510	26,923
Merchandising and events costs	3,091	-	378	3,469	3,617
Investment management costs	-	-	62	62	36
<b>Charitable Activities</b>					
Combating poverty	1,855	65	511	2,431	2,618
Reducing isolation	5,590	445	1,276	7,311	9,023
Defeating ageism	1,636	55	430	2,121	2,615
Challenging neglect	2,854	126	591	3,571	3,848
Preventing future deprivation	4,286	1,386	653	6,325	7,590
International	475	5,806	-	6,281	5,089
<b>Governance</b>	-	-	230	230	215
<b>Other resources expended</b>					
Taxation	-	-	-	-	17
Share of taxation in joint venture	-	-	-	-	1
<b>Total resources expended</b>	<b>53,523</b>	<b>7,883</b>	<b>7,486</b>	<b>68,892</b>	<b>72,550</b>

### Analysis of Grants

#### UK Grants

	£'000s
<u>Analysis</u>	<u>Grants to</u>
	<u>Institutions</u>
Research projects	1,466
Day Centres, social clubs and initiatives	339
Gardening project	86
Senior mobility projects	58
Campaigning for and promoting older peoples rights and interest	128
<b>Total UK Grants</b>	<b>2,077</b>

#### International Grants

	£'000s
<u>Analysis</u>	<u>Grants to</u>
	<u>Institutions</u>
HelpAge International regional work	1,417
Refugees & disasters	1,490
Adopt A Granny	2,123
Mobile medical units	42
Information & Advocacy	309
Support for HelpAge International	425
<b>Total International Grants</b>	<b>5,806</b>
<b>Total Grants</b>	<b>7,883</b>

Details of grants payable are available from the Charity's registered office.

## Notes to the financial statements (continued)

### 7 Support Costs Allocation

	Directorate £'000	Finance & Legal £'000	Office Management £'000	IT £'000	Human Resources £'000	Property £'000	Direct Support Costs £'000	2005 Total £'000	2004 Total £'000
Cost of generating funds									
<b>Cost of generating voluntary income</b>									
Fundraising	108	227	461	876	88	4	21	1,785	2,723
Legacies receivable	12	32	43	94	13	-	-	194	295
Grants receivable	5	14	53	28	6	-	-	106	159
<b>Fundraising trading: costs of goods sold and other costs</b>									
<b>Cost of selling donated and bought in goods</b>	109	46	170	52	508	385	-	1,270	1,293
Merchandising and events costs	10	28	102	226	11	-	1	378	156
Investment management costs	-	62	-	-	-	-	-	62	36
<b>Charitable Activities</b>									
Combating poverty	63	78	187	88	27	1	67	511	503
Reducing isolation	122	160	239	181	88	6	480	1,276	1,321
Defeating ageism	52	67	155	76	23	-	57	430	476
Challenging neglect	70	95	202	107	32	13	72	591	601
Preventing future deprivation	87	103	233	117	36	14	63	653	711
International	-	-	-	-	-	-	-	-	-
Governance	53	177	-	-	-	-	-	230	215
<b>Total support costs</b>	<b>691</b>	<b>1,089</b>	<b>1,845</b>	<b>1,845</b>	<b>832</b>	<b>423</b>	<b>761</b>	<b>7,486</b>	<b>8,489</b>

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. To ensure full cost recovery on projects the charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Therefore the support costs shown are a best estimate of the costs that have been so allocated.

#### Basis for support costs allocation:

Central support costs are allocated as following:

- Directorate, estimated time spent on operational activities.
- Finance & Legal, calculated time spent on governance and remaining costs allocated according to number of office based staff.
- Office Management, number of head office based staff.
- IT, time spent on projects and then number of office based employees.
- Human Resources, estimated time spent on each operational division.
- Property, number of properties used by each division
- Direct support costs are costs incurred due to administration carried out within operational activities.

#### Governance costs are made up of following:

	2005 £'000	2004 £'000
Internal Audit	98	89
External Audit	51	59
Trustees' Expenses	2	-
Trustees' Indemnity Insurance	17	7
Apportionment of Directors' costs (based on time spent)	30	29
Company Secretariat	32	31
	<b>230</b>	<b>215</b>

### 8 Taxation

Help the Aged is a registered charity and is thus exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity. There was no UK Corporation Tax payable by Help the Aged (Mail Order) Limited and its wholly owned subsidiary HTA Solutions (Payroll Giving Limited) (2004: £17,343).

## Notes to the financial statements (continued)

### 9 Staff numbers and emoluments

	2005			2004		
	Full time head count	Part time head count	Part time Full time equiv	Full time head count	Part time head count	Part time Full time equiv
The average number of persons employed during the year was as follows:						
Shops	742	563	264	766	539	239
Other	384	96	48	437	105	62
	<b>1,126</b>	<b>659</b>	<b>312</b>	<b>1,203</b>	<b>644</b>	<b>301</b>

The aggregate emoluments of these persons were as follows:

	2005 £'000	2004 £'000
Salaries including benefits in kind	24,294	24,517
Social security costs	1,797	1,753
Pension contributions	1,213	1,368
	<b>27,304</b>	<b>27,638</b>

The numbers of employees whose emoluments for the year fell within the following bands were:

	2005 Number	2004 Number
£60,000 to £69,999	3	2
£70,000 to £79,999	1	2
£80,000 to £89,999	4	4
£90,000 to £99,999	1	-
£100,000 to £109,999	-	1
£110,000 to £119,000	-	-
£120,000 to £129,000	1	-

### 10 Trustees' emoluments and reimbursed expenses

The Trustees received no remuneration for their services.

The aggregated amount of expenses reimbursed to three Trustees during the year was £1,749 (2004: one Trustee, £217).

Indemnity insurance is provided for Trustees, Premiums paid during the year totalled £17,426 (2004: £7,350).

During the year ended 30 April 2005 the Charity awarded grants of £18,060 (2004: £82,292) for projects to which members of the Board of Trustees were connected. These members of the Board of Trustees did not participate in the decisions to award the respective grants.

<u>Board of Trustee member</u>	<u>Details of research grant</u>	£
Professor Leslie Iversen FRS - Visiting Professor of Pharmacology (University of Oxford)	Professor Alison Brading, "Mechanisms and control of overactive bladder".	18,060
		<b>18,060</b>

During the year ended 30 April 2005 the Charity awarded grants of £61,500 (2004: £87,268) for projects to which members of the Research Advisory Council of the special Trust of the Charity, Research into Ageing, were connected. These members of the Research Advisory Council did not participate in the decision to award the respective grants.

<u>Research Advisory Council member</u>	<u>Details of research grant</u>	£
Professor David Kipling - (Cardiff University)	Mr James Morgan, "Retinal plasticity in ageing and glaucoma"	61,500
		<b>61,500</b>

The charity leases a shop from an aunt of one of the executive directors. The property rental paid is subject to due process and professional advice and the rental paid during the year amounted to £10,000 (2004: £10,000).

## Notes to the financial statements (continued)

### 11 Net movement in funds

	2005 £'000	2004 £'000
Net movement in funds is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,443	1,445
Amortisation of goodwill	-	80
Profit on disposal of fixed assets	(652)	(292)
Auditors' remuneration:		
audit of charitable company	37	36
audit of subsidiaries	10	11
other	-	12
Operating lease rentals	6,502	6,379

### 12 Tangible fixed assets

	Freehold and long leasehold properties £'000	Gifted housing £'000	Short leasehold properties £'000	Motor vehicles £'000	Equipment fixtures and fittings £'000	Total £'000
<b>(a) Charity</b>						
<b>Cost or donated valuation</b>						
At 1 May 2004 Restated	1,921	6,353	8,257	3,780	3,100	23,411
Additions	173	375	(26)	593	103	1,218
Disposals	-	(260)	(213)	(694)	(2,310)	(3,477)
At 30 April 2005	2,094	6,468	8,018	3,679	893	21,152
<b>Depreciation</b>						
At 1 May 2004	(134)	(372)	(6,897)	(2,326)	(2,681)	(12,410)
Charge for the year	(22)	(98)	(390)	(748)	(185)	(1,443)
Eliminated on disposal	-	16	213	664	2,292	3,185
At 30 April 2005	(156)	(454)	(7,074)	(2,410)	(574)	(10,668)
<b>Net book value</b>						
At 30 April 2005	1,938	6,014	944	1,269	319	10,484
At 30 April 2004	1,787	5,981	1,360	1,454	419	11,001
<b>(b) Group</b>						
<b>Cost or donated valuation</b>						
At 1 May 2004 Restated	1,921	6,353	8,257	3,780	3,121	23,432
Additions	173	375	(26)	593	103	1,218
Disposals	-	(260)	(213)	(694)	(2,331)	(3,498)
At 30 April 2005	2,094	6,468	8,018	3,679	893	21,152
<b>Depreciation</b>						
At 1 May 2004	(134)	(372)	(6,897)	(2,326)	(2,702)	(12,431)
Charge for the year	(22)	(98)	(390)	(748)	(185)	(1,443)
Eliminated on disposal	-	16	213	664	2,313	3,206
At 30 April 2005	(156)	(454)	(7,074)	(2,410)	(574)	(10,668)
<b>Net book value</b>						
At 30 April 2005	1,938	6,014	944	1,269	319	10,484
At 30 April 2004	1,787	5,981	1,360	1,454	419	11,001

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

	2005 £'000	2004 £'000
Freeholds	1,618	1,609
Long leaseholds	320	178
	1,938	1,787

## Notes to the financial statements (continued)

### 13 Investments

	Other Investments				Group		Charity
	Short-Term Deposits £'000	Listed Investments £'000	Endowed Funds £'000	Shares in Associated Undertaking £'000	Group £'000	Shares in Subsidiary Undertaking £'000	Charity £'000
<b>Market Value</b>							
At 1 May 2004	2	9,751	1,468	16	11,237	77	11,314
Additions	9,000	2,100	-	-	11,100	-	11,100
Disposals	(7,000)	(2,095)	-	(6)	(9,101)	-	(9,101)
Movement in Cash	-	(23)	-	-	(23)	-	(23)
Net Investment Gain / (Loss)	-	631	82	(10)	703	-	703
<b>At 30th April 2005</b>	<b>2,002</b>	<b>10,364</b>	<b>1,550</b>	<b>-</b>	<b>13,916</b>	<b>77</b>	<b>13,993</b>
Historical Value At 30 April 2005	2	10,168	1,228	-	11,398	77	11,475

	2005	2004	
	£'000	£'000	
Listed Investments:-			
Merrill Lynch	- Charishare Common Investment Fund - UK equities	5,172	6,730
Barclays Global Investors	- Aquilla US Equity Income	1,760	928
	- Aquilla European Equity Income	1,634	1,018
	- Aquilla Japanese Equity Income	1,139	504
	- Aquilla Pacific Rim Equity Income	622	513
	- Undispersed cash in investment account	30	53
		10,357	9,746
Other		7	5
		10,364	9,751

	2005 £'000	2004 £'000
<i>Endowed Funds:-</i>		
The Charity of C E Saunders	711	672
Charity of Gillingham Endowed Fund	786	745
The Charity of Miss Edna Lipson	53	51
	<b>1,550</b>	<b>1,468</b>

Investments in subsidiaries are held at cost

The following is given in respect of the group's share of Fold Help Limited, whose activities were the operation of a community alarm and monitoring service:

Fold Help Limited's share capital comprises 15,000 'A' shares and 15,000 'B' shares of £1 each. Help the Aged owns all the 'A' shares. The holders of each of the 'A' and 'B' shares have equal rights and are entitled to appoint an equal number of directors. Decisions of the company are taken by unanimous approval of the Board. Fold Help Limited has an accounting reference date of 31 March.

A proposal to strike off Fold Help Limited has been filed at Companies House Northern Ireland on 18 March 2005. These shares have been written down to nil value during the year.

## Notes to the financial statements (continued)

### 13 Investments (continued)

	2005 £'000	2004 £'000
<b>Share of group's investment (Fold Help Limited)</b>		
Incoming resources from sale of services	-	220
Cost of generating funds	(10)	(212)
Net interest payable	-	(1)
	<u>(10)</u>	<u>7</u>
Taxation	-	(1)
Gift Aid	-	(24)
Net incoming resources	<u>(10)</u>	<u>(18)</u>
Dispersed to Help the Aged	(6)	-
	<u>(16)</u>	<u>(18)</u>
<b>Share of assets:</b>		
Fixed assets	-	-
Current assets	-	62
	-	<u>62</u>
<b>Share of liabilities</b>	-	(46)
	-	<u>16</u>
Analysed as:		
Unrestricted funds	-	16

	Registered in	Percentage of capital held	Number of £1 ordinary shares held
<i>Principal subsidiary undertakings</i>			
Help the Aged (Trading) Limited (including its wholly owned subsidiary undertaking RiA Trading Limited - now dormant)	England and Wales	100%	10,000
Help the Aged (Mail Order) Limited (including its wholly owned subsidiary undertaking HIA Solutions Limited- now dormant)	England and Wales	100%	67,100
<i>Dormant subsidiary undertakings</i>			
Age Care and Leisure Services Limited	England and Wales	100%	2
WorkAge Limited	England and Wales	100%	2

### 14 Debtors: Amounts falling due within one year

	Group		Charity	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Other debtors	996	743	457	430
Social security and other taxes	317	280	317	264
Amounts due from subsidiary undertakings	30	-	1,727	1,104
Prepayments and accrued income	6,628	3,170	6,560	2,944
	<u>7,971</u>	<u>4,193</u>	<u>9,061</u>	<u>4,742</u>

The Charity has been notified of legacies amounting to £6.6 million (2004: £5.2 million) which have not been recognised as income at 30 April 2004 and these will be included in future periods.

## Notes to the financial statements (continued)

### 15 Debtors: amounts falling due after more than one year

Amounts due from subsidiary undertakings

Group		Charity	
2005	2004	2005	2004
£'000	£'000	£'000	£'000
-	-	1,749	1,734

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

Short term grants  
Interest free loans from housing residents repayable on change of occupancy  
Corporation tax  
Other creditors  
Accrued expenses

Group		Charity	
2005	2004	2005	2004
£'000	£'000	£'000	£'000
2,887	3,035	2,887	3,035
60	70	60	70
-	17	-	-
5,908	6,208	5,397	5,645
2,849	2,309	2,520	2,021
11,704	11,639	10,864	10,771

The liability to return interest free loans normally crystallises when the tenant dies or they move into a care facility. Therefore, it is not possible to define with accuracy the amount that may be due within one year. An amount has been included based on the average of previous years' repayments.

### 17 Creditors: amounts falling due after more than one year

Long term grants  
Interest free loans from housing residents repayable on change of occupancy  
Operating Lease Incentives

Group		Charity	
2005	2004	2005	2004
£'000	£'000	£'000	£'000
1,936	2,212	1,936	2,212
67	96	67	96
109	131	109	131
2,112	2,439	2,112	2,439

### 18 Provision for liabilities and charges

Care provision  
Balance brought forward  
Utilised in year  
Increase in provision charged to Statement of Financial Activities  
Balance carried forward

Group		Charity	
2005	2004	2005	2004
£'000	£'000	£'000	£'000
5,270	5,041	5,270	5,041
(939)	(1,076)	(939)	(1,076)
1,459	1,305	1,459	1,305
5,790	5,270	5,790	5,270



## Notes to the financial statements (continued)

### 19 Group statement of funds

	Restated Balance 30 April 2004 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Gains and losses £'000	Balance 30 April 2005 £'000
<b>Endowment Summary</b>						
The Charity of C E Saunders	672	-	-	-	38	710
The Gillingham Endowed Fund	745	-	-	-	41	786
The Charity of Miss Edna Lipson	51	-	-	-	3	54
	<b>1,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>1,550</b>
<b>Restricted Funds Summary</b>						
<b>United Kingdom Aid Programmes</b>						
Research Into Ageing (Note 3)	231	1,263	(1,853)	422	-	63
Day Centres	39	44	(53)	20	-	50
Community Transport	331	883	(1,093)	11	-	132
Housing and Care Projects	266	84	(28)	-	-	322
SeniorLink Telephones	532	123	(173)	-	-	482
Heating Grants	-	3	-	-	-	3
Gifts in Kind	-	35	(35)	-	-	-
Community Projects	1,861	4,316	(3,121)	8	-	3,064
Home Safety	1,204	1,188	(1,147)	21	-	1,266
Elderly Homelessness	103	60	(162)	-	-	1
Other Projects	408	572	(779)	50	-	251
<b>Total UK Aid Programmes</b>	<b>4,975</b>	<b>8,571</b>	<b>(8,444)</b>	<b>532</b>	<b>-</b>	<b>5,634</b>
<b>International Aid Programmes</b>						
Refugees and Disasters	1	4,993	(1,512)	8	-	3,490
Gifts in Kind	-	289	(289)	-	-	-
Adopt a Granny	(2,090)	2,761	(3,044)	283	-	(2,090)
Other Projects	(1,418)	1,679	(2,661)	690	-	(1,710)
<b>Total International Aid Programmes</b>	<b>(3,507)</b>	<b>9,722</b>	<b>(7,506)</b>	<b>981</b>	<b>-</b>	<b>(310)</b>
<b>Total Restricted Funds</b>	<b>2,936</b>	<b>18,293</b>	<b>(15,950)</b>	<b>1,513</b>	<b>82</b>	<b>6,874</b>
<b>Designated Funds</b>						
Designated Fund - Maintenance	314	-	(46)	48	-	316
Designated Fund - Works Reserve	331	-	(35)	100	-	396
Designated Fund - Development	1,021	-	(1,107)	1,084	-	998
Designated Fund - Pension Fund	-	-	-	734	-	734
	<b>1,666</b>	<b>-</b>	<b>(1,188)</b>	<b>1,966</b>	<b>-</b>	<b>2,444</b>
<b>General Funds</b>	<b>9,440</b>	<b>48,965</b>	<b>(44,225)</b>	<b>(3,473)</b>	<b>631</b>	<b>11,338</b>
<b>Pension Reserve</b>	<b>(5,138)</b>	<b>-</b>	<b>(272)</b>	<b>-</b>	<b>(754)</b>	<b>(6,164)</b>
Subsidiary Companies	111	7,187	(7,257)	-	-	41
Joint Venture	16	-	(10)	(6)	-	-
<b>Total Unrestricted Funds</b>	<b>6,095</b>	<b>56,152</b>	<b>(52,952)</b>	<b>(1,513)</b>	<b>(123)</b>	<b>7,659</b>
<b>Total Funds</b>	<b>9,031</b>	<b>74,445</b>	<b>(68,902)</b>	<b>-</b>	<b>(41)</b>	<b>14,533</b>

Incoming resources of the charity during the year was £68,956k. Resources expended by the charity during the year was £63,333k.

Included in the restricted funds are the following grants received of:

Organisation	Project	Grant	Organisation	Project	Grant
Lloyds TSB Foundation For England and Wales	North Wales Benefits Advice Scheme	£5,000	Percy Bilton Charity	Merseyside HandyVan	£4,500
The Constance Travis Charitable Trust	Stroke Research	£5,000	Jane Hodge Foundation	Cardiff HandyVan	£6,000
The J D Player Endowment Fund	Nottinghamshire Benefits project	£5,000	Department Of Health	Dignity on the Ward	£7,000
New Opportunities Fund/Big Lottery Fund	Gardening Programme	£7,324	Bay Tree Charitable Trust	Mobile Medicare Units	£10,000
Helen Jean Cope Trust	Charnwood & North West Leics HandyVan	£10,000	Calouste Gulbenkian Foundation	Speaking up for our Age website	£10,000
Robertson Trust	Dumfries and Galloway SeniorSafety	£10,000	Dulverton Trust	Gardening Project	£10,000
Bridge House Estates Trust Fund	Older Homeless Programme	£15,000	Diabetes UK	Wound Healing	£10,250
The Rufford Maurice Laing Foundation	Nottinghamshire SeniorLink	£20,000	Department Of Health	Falls Prevention	£15,000
Community Fund/Big Lottery Fund	Rural Initiative	£20,300	Kreitman Foundation	Mobile Medical Units	£20,000
New Opportunities Fund/Big Lottery Fund	SeniorLink Hospice HomeCare	£30,987	Northern Rock Foundation	Durham HandyVan	£20,000
Community Fund/Big Lottery Fund	Manchester Parkistani Resource Centre	£31,179	The Dunhill Medical Trust	One for All Appeal Fellowship 2004	£36,500
Department of Work and Pensions	Benefits Advice: Hartlepool	£43,400	British Geriatrics Society	Falls Research	£37,500
Community Fund/Big Lottery Fund	Speaking Up for Our Age	£124,921	Department Of Health	Intermediate Care	£52,322
Community Fund/Big Lottery Fund	Age Discrimination Research	£125,640	Department Of Health	Minority Ethnic Elders Falls	
Community Fund/Big Lottery Fund	Into the future	£59,072		Prevention Programme	£61,750
The Carnegie UK Trust	Rural Initiative	£1,000			

The grant commitment to international aid programmes for 2004/5 has been treated as a liability and charged in these financial statements. This creates a negative balance on these funds which will be matched by anticipated restricted income or a transfer from general funds.

During the year Restricted Funds were reviewed and some funds reclassified. Funds included in "Community Projects" have been moved to "Elderly Homelessness" and funds included in "Refugees and Disasters" have been moved to "Other Projects". This reclassification has been made restating opening balances.

All positive transfers to restricted funds are due to transfers from general funds to cover restricted funds' deficits.

The Charity of C E Saunders has been included as an endowed fund. This charity was founded under the will of the late C E Saunders who died in 1977.

The Charity of Gillingham endowed fund has been included as an endowed fund. This charity was founded on 3 December 2002 from former trusts of charities known as the Vera Dorothy Pearreth Homes and the Grace Hilary Goodwin Homes.

The Charity of Miss Edna Lipson has been included as an endowed fund. The charity was founded under the will of the late E Lipson on 14 March 2002.

## Notes to the financial statements (continued)

### 20 Analysis of group net assets between funds

	Unrestricted funds £'000	Restricted and endowment funds £'000	Total funds £'000
<b>Fund balances at 30 April 2005 are represented by:</b>			
Tangible fixed assets	10,484	-	10,484
Investments	12,366	1,550	13,916
Current assets	10,579	5,324	15,903
Current liabilities	(11,704)	-	(11,704)
Long term liabilities	(7,902)	-	(7,902)
Defined Benefit Pension Liability	(6,164)	-	(6,164)
<b>Total net assets</b>	<b>7,659</b>	<b>6,874</b>	<b>14,533</b>

### 21 Net cash inflow/(outflow) from operating activities

	2005 £'000	2004 £'000
<b>Reconciliation of net expenditure before joint venture for the year to net cash inflow/(outflow) from operating activities:</b>		
Net income/(expenditure) for the year before joint venture	5,553	(2,430)
Depreciation and amortisation	1,443	1,525
Profit on sale of tangible fixed assets	(652)	(292)
Decrease/(increase) in stocks	227	(192)
(Increase)/decrease in debtors	(3,778)	1,983
(Decrease) in creditors	(223)	(1,892)
Increase in pension liability	272	199
Increase in provisions	520	229
Investment income	(788)	(652)
	<b>2,574</b>	<b>(1,522)</b>

### 22 Analysis of net funds

	At 1 May 2004 £'000	Cashflow £'000	At 30 April 2005 £'000
Cash at bank and in hand	6,636	1,073	7,709
Interest free loans	(166)	39	(127)
	<b>6,470</b>	<b>1,112</b>	<b>7,582</b>

## Notes to the financial statements (continued)

### 23 Pension costs

The Charity operates two pension schemes. One of these pension schemes is a defined benefit pension scheme, which was closed to new entrants on 31 July 2002. Within the defined benefit pension scheme, retirement benefits are based on employees' final remuneration and length of service. The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method on the basis of an annual valuation and charged to the Statement of Financial Activities as described below.

The pension cost to the Charity for the year was £1,069,328 (2004: £1,279,000).

The Charity also started to operate a defined contribution Group Personal Pension Plan for employees provided by Standard Life from 1 August 2002. The employees' and employer's contribution rates are 3 per cent and 8 per cent respectively.

The pension cost to the Charity was £136,780 (2004: £88,038).

The annual actuarial valuation described above has been updated at 30 April 2005 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The scheme closed to new entrants on 31 July 2002. As a result, it can be expected that the service cost as a percentage of salaries will increase in future, although pensionable payroll can be expected to reduce over time.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS 17 were as follows:

	2005	2004	2003	2002
	%pa	%pa	%pa	%pa
Inflation	2.5	2.5	2.5	2.5
Rate of increase in salaries	4.0	4.0	4.0	4.5
Rate of increase for pensions in payment and deferred pensions	2.5	2.5	2.5	2.5
Discount rate	5.4	5.6	5.6	5.8

The fair value of assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2005		2004		2003		2002	
	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return
	£'000	% pa	£'000	% pa	£'000	% pa	£'000	% pa
Equities	18,280	8.00	16,876	8.00	13,278	8.80	14,652	7.90
Bonds	7,414	5.00	5,364	5.00	4,670	4.60	3,964	5.25
Cash	347	4.25	783	4.00	806	3.75	817	4.00
<b>Total fair value of assets</b>	<b>26,041</b>	<b>7.10</b>	<b>23,023</b>	<b>7.17</b>	<b>18,754</b>	<b>7.54</b>	<b>19,433</b>	<b>7.20</b>
Present value of schemes liabilities	32,205		28,161		26,318		21,785	
<b>Liability in the scheme</b>	<b>(6,164)</b>		<b>(5,138)</b>		<b>(7,564)</b>		<b>(2,352)</b>	

	2005	2004
	£'000	£'000
<u>Analysis of the amount charged to operating profit</u>		
Current Service Cost	1,522	1,542
Past Service Cost	-	-
Settlements and curtailments	-	-
<b>Total operating charge</b>	<b>1,522</b>	<b>1,542</b>

	2005	2004
	£'000	£'000
<u>Analysis of the amount credited to operating profit</u>		
Expected return on assets	1,689	1,447
Interest on pension scheme liabilities	(1,617)	(1,503)
<b>Other finance income credit / (charge) to Statement of Financial Activity</b>	<b>72</b>	<b>(56)</b>

## Notes to the financial statements (continued)

### 23 Pension costs (continued)

	2005 £'000	2004 £'000
<u>Movement of deficit during the year</u>		
Deficit in scheme at beginning of year	(5,138)	(7,564)
Current service cost	(1,522)	(1,542)
contributions	1,178	1,399
Past service costs	-	-
Gains and Losses on any settlement or curtailments	-	-
Other finance income / (expense)	72	(56)
Actuarial (loss) / gain	(754)	2,625
	<b>(6,164)</b>	<b>(5,138)</b>

	2005 £'000	2004 £'000
<u>Analysis of the actuarial (loss) / gain recognised in the statement of total recognised gains and losses</u>		
Actual return less expected return on pension scheme assets	227	1,933
Experience gains and losses arising on the scheme liabilities	257	689
Changes in assumptions underlying the present value of the scheme liabilities	(1,238)	3
Actuarial (loss) / gain recognised in the statement of total recognised gains and losses	<b>(754)</b>	<b>2,625</b>

#### History of experience gains and losses

	2005	2004
Difference between the expected and actual return on scheme assets		
- Amount	<b>£227,000</b>	£1,933,000
- % of scheme assets	<b>0.9%</b>	8.4%
Experience gains and losses on scheme liabilities		
- Amount	<b>£257,000</b>	£689,000
- % of the present value of the schemes liabilities	<b>0.8%</b>	2.4%
Total amount recognised in the statement of total recognised gains and losses		
- Amount	<b>£(754,000)</b>	£2,625,000
- % of scheme (liabilities) / assets	<b>(2.3%)</b>	9.3%

It should be noted that the Help the Aged final salary scheme is a multi-employer scheme. There is only one other employer, HelpAge International, who will be responsible for part of the net pension liability. However, as we are unable to split the assets of the scheme we cannot separately identify HelpAge International's share of the net pension liability. The employee numbers in the scheme at 30 April 2004 were:

	Active employees	Deferred pensioners	Pensioners
Help the Aged	405	647	143
HelpAge International	23	54	4
	<b>428</b>	<b>701</b>	<b>147</b>

(The percentage of HAI employees and pensioners equals 6.35% of the pension fund, which equates to £391k of the pension deficit. This is seen as immaterial and therefore not separately disclosed).

#### Defined Benefit Scheme

The last completed triennial actuarial valuation was carried out at 30 September 2003 using the following principal assumptions:

Average rate of return on investments pre retirement	7.9 per cent pa
Average rate of return on investments post retirement	5.5 per cent pa
Average rate of salary increases	4.0 per cent pa

The valuation showed the market value of the scheme's assets to be £20,282,000 and the actuarial value represented 91 per cent of the benefits that had accrued to members. The deficit amounted to £1,930,000. From the 1 May 2005 employees' contribution rates were increased to 8.4 per cent pa (previously 6 per cent pa), employers contributions remain at 12.7 per cent pa with an additional payment of £780,000 pa to be paid for the subsequent three years. The scheme's funding level on the basis prescribed by the Minimum Funding Requirement (MFR) was 95 per cent.

## Notes to the financial statements (continued)

### 24 Share capital

The company is limited by guarantee and has no share capital. The liability of members is limited to the sum of £1 per member.

### 25 Obligations under operating leases

The amount payable for land and buildings within the next 12 months on leases expiring:

	2005	2004
	£'000	£'000
Within one year	143	105
One to five years	888	1,358
After five years	5,529	4,918
	<b>6,560</b>	<b>6,381</b>

### 26 Contingent liability

Lloyds TSB Bank Plc have made available a loan of £1 million to The Prime Initiative. This has been provided to enable The Prime Initiative to support older people setting up in business. If and in so far as The Prime Initiative is unable to repay the loan facility of £1 million Help the Aged has undertaken to make available on demand to The Prime Initiative such sum as Lloyds TSB Bank Plc may demand up to a maximum of £50,000 in total of outstanding capital and interest. During the year Help the Aged paid £7,656.82 (2004: £6,710) to The Prime Initiative under the guarantee. The liability on the guarantee at 30 April 2005 was zero (2004: zero).

### 27 Prior year adjustments

Help the Aged has adopted the SORP 2005 and FRS17 in advance of the required dates. Comparative figures in the Statement of Financial Activities and the Balance Sheet have been revised to comply with these accounting requirements. The adoption of FRS17 has reduced the total funds of the Charity by £6,164m, (see note 23).

Following a review of the investment in Fold Help Limited £15k had been incorrectly accounted for.

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2005	2004
	£'000	£'000	£'000	£'000
Fund balance brought forward as reported	11,248	2,936	14,184	14,855
Prior year adjustments - Pension	(5,138)	-	(5,138)	(7,564)
Prior year adjustments - Fold Help	(15)	-	(15)	-
Fund balance restated	6,095	2,936	9,031	7,291
Net movement in funds	1,564	3,938	5,502	1,740
Total funds carried forward	7,659	6,874	14,533	9,031

## Trustees and advisers

### Registered office

207-221 Pentonville Road  
London  
N1 9UZ

### Patron

HRH The Prince of Wales

### Chairman of the Board of Trustees

Jo Connell<sup>1,3,4,5,6</sup>

### Vice Presidents

Princess Helena Mountafian MBE  
Marchioness of Dufferin and Ava

### Honorary Treasurer

The Duchess of Norfolk (resigned 4 October 2004)

### Board of Trustees

Professor Gary Andrews (resigned 29 June 2004)

Henry Bowrey (resigned 21 September 2004)

Dr Beverly Castleton<sup>1</sup>

Harry Cathcart (appointed 24 March 2005)

Anna Coote

Dr June Crown CBE

Brian Fox CB<sup>5,6</sup>

Professor Leslie Iversen FRS

Professor Oliver James

William Keates CBE<sup>1,2,3,4,5</sup>

Rosemary Kelly<sup>6</sup>

Trevor Larman<sup>1,2,5</sup>

John D Mather<sup>1,2,4,5</sup>

William Menzies-Wilson CBE<sup>1</sup>

Michael Roberts<sup>1,2,5</sup>

Len Sanderson (appointed 2 December 2004)

Kevin Williams<sup>1,2,4</sup>

Gillian Wilmot (appointed 2 December 2004)

Christopher Woodbridge<sup>1,2,5</sup>

Angus Young<sup>1,5,6</sup>

### Director General

Michael Lake CBE

### Director of Community Services

Carol Ainslie (until 4 February 2005)

### Director of Policy, Research & International Development

Paul Cann

### Director of Fundraising & Marketing

Anne Grahamslaw

### Director of Finance

Keith Hickey

### Director of Communications & Marketing

Steve Jones

### Director of Human Resources

Abi Lauder

### Director of Retail Operations

Howard Stirrup

### Research into Ageing<sup>7</sup>

### President

HRH The Duchess of Gloucester GCVO

<sup>1</sup> Member of Finance Committee

<sup>2</sup> Member of Audit Committee

<sup>3</sup> Member of Remuneration Committee

<sup>4</sup> Member of Nomination Committee

<sup>5</sup> Member of Property Committee

<sup>6</sup> Member of International Committee

<sup>7</sup> Research into Ageing is a Special Trust of Help the Aged

### Auditors

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Hill House

1 Little New Street

London

EC4A 3TR

### Solicitors

Wedlake Bell

16 Bedford Street

Covent Garden

London

WC2E 9HF

### Bankers

Barclays Bank PLC

Pall Mall Corporate Banking Group

50 Pall Mall

PO Box 15162

London

SW1A 1QB

### Investment Managers

Barclays Global Investors Limited

Murray House

1 Royal Mint Court

London

EC3N 4HH

Merrill Lynch Investment Managers Limited

33 King William Street

London

EC4R 9AS

JP Morgan Fleming Asset Management

Finsbury Dials

20 Finsbury Street

London

EC2Y 9A

As required by the Articles of Association, Dr Beverly Castleton, Brian Fox CB, Rosemary Kelly, Christopher Woodbridge and Angus Young retire by rotation and, being eligible, offer themselves for re-election at the AGM. In accordance with the memorandum and articles, Harry Cathcart, Len Sanderson and Gillian Wilmot (appointed during the year), retire and being eligible, offer themselves for re-election.

The Charity would like to record its thanks to Henry Bowrey who retired as a Trustee on the 21 September 2004 after 10 years of service to the Charity and to Professor Gary Andrews who retired as a Trustee on 29 June 2004 after three years of service to the Charity. The Charity would also like to record its thanks to Trevor Larman who has expressed his wish to retire at the AGM on 20 September 2005 after nine years of service to the Charity.

The Board is grateful for the additional advice and expertise of the following people and organisations who have served on advisory committees:

Speaking Up for Our Age Steering Group

Social Policy Ageing Information Network (SPAIN) Group

The Older People's Reference Group (HOPE)

Research Advisory Council

Stage for Age

National Assn for Providers of Activities in Care (NAPA)

Social Policy Committee

Pennel Initiative for Womens Health

### Specific restrictions imposed by the Memorandum and Articles of Association

The Memorandum of Association provides that the Company shall not dispose of its freehold or leasehold properties or any part thereof exceeding 25 per cent except with the sanction of the Company in General meeting by Special Resolution having been first obtained.

Help the Aged would like to thank all the following for their generous support.

#### Corporate relationships

AA  
Abbey  
Accutecc UK  
Alliance & Leicester  
AsiraZeneca plc  
Avis Rent-a-Car Ltd  
Barclays Plc  
BBC NI  
BBC Television  
Belfast Telegraph  
BHS  
Bloomberg  
Boots Opticians  
British Gas  
BT  
BUPA  
Chalmers Communications  
Cheapside Carriages  
Ciber-UK  
Clifford Chance  
Co-operative Funeralcare  
cScape Strategic Internet Services Ltd  
D&A The Opticians  
David McLean Group  
David Nieper Ltd  
Dunbar Bank  
Ethnic Media Group  
Fonebak plc  
Gallaher Group Plc  
Glaxosmithkline  
Golden Charter  
GKN plc  
Grain Health Foods (UK) Ltd  
Grigo-McMahon Ltd  
The Guardian  
Halifax Direct  
Halifax plc  
HBOS  
HM Revenue and Customs  
ICAP plc  
John Guest Ltd  
John Lewis Partnership Plc  
Krispy Crème  
Land Securities  
Leeds & Holbeck Building Society  
Legal & General Assurance Society Ltd  
Lloyd's Charities Trust, Lloyd's of London  
MBP  
McCarthy & Stone  
Meadowhall Leisure Shopping  
NM Rothschild & Sons Ltd  
Northern Bank Ltd  
Northern Rock  
Novartis Pharmaceuticals UK  
The Orr Macintosh Foundation  
Pfizer Ltd  
Reebok UK  
Saga Group Ltd  
Specsavers Opticians  
Star Cargo plc  
West Bromwich Building Society  
Yorkshire Bank  
Yule Catto & Co Plc  
Zurich Financial Services (UKISA) Community Trust Ltd

#### Funders

Adecco  
Advice NI  
The Albert Hunt Trust  
Austin & Hope Pilkington Charitable Trust  
Bay Tree Charitable Trust  
The Big Lottery Fund (restricted funds)  
The Big Lottery Cymru  
Birchington Parish Council  
Blaenau Gwent County Borough Council  
Bridgend County Borough Council  
British Geriatrics Society  
Buckinghamshire Fire & Rescue Service  
Caerphilly County Borough Council  
Calouste Gulbenkian Foundation  
Cardiff County Council  
Carmarthenshire County Council  
Ceredigion County Council  
Chelmsford Borough Council  
Chiltern and South Bucks PCT  
Chiltern Hundreds Housing Association  
Conwy County Council  
Craigavon & Banbridge Health & Social Services Trust  
David McLean Group  
Denbighshire County Council  
Department for Work and Pensions  
Department of Health and Social Services and Public Safety  
Department of Health Change Up Funding  
Department of Health Section 64  
Department of Social Development  
Dick and Mary Sanders Memorial Fund  
Epping Forest District Council  
Equal Opportunities Commission

Essex County Council  
Flintshire County Council  
The Foresters Charity Stewards UK Trust  
Garfield Weston Foundation  
Gwynedd County Council  
Isle of Anglesey County Council  
Lloyds TSB Foundation for England and Wales  
London Borough of Hackney  
London Borough of Havering  
London Borough of Lambeth  
London Borough of Redbridge  
London Fire Brigade (LFPEA)  
Monmouthshire County Council  
Northern Health & Social Services Board  
Nuffield Foundation  
Office of the Deputy Prime Minister – Special Grants Programme  
Rosetrees Trust  
Royal Berkshire Local Committee  
The Safer Reading Campaign  
South & East Belfast Health & Social Services Trust  
South Bucks District Council  
Southend Borough Council  
The Bridge House Trust  
The Carnegie United Kingdom Trust  
The Community Fund Northern Ireland  
The Constance Travis Charitable Trust  
The Department of Health  
The Dulverton Trust  
The Dunhill Medical Trust  
The Emmandjay Charitable Trust  
The Eveson Charitable Trust  
The Helen Jean Cope Trust  
The Jane Hodge Foundation  
The J D Player Endowment Fund  
The Jeannie Vassiliou Charitable Trust  
John and Margaret Wootton Charitable Trust  
The Jordan Charitable Foundation  
Kinsurdy Charitable Trust  
The Kreitman Foundation  
The Lady Sybil Julia Joseph Charitable Trust  
The Lattimer Family Trust  
The Lennox Hannay Charitable Trust  
May Watkinson Charity Trust  
Northern Rock Foundation  
Office of the Deputy Prime Minister  
The Oglesby Foundation  
Percy Bilton Charity  
The Rufford Maurice Laing Foundation  
Sir Hailey Stewart Trust  
Southend Fund  
The Stobart Newlands Charitable Trust  
Torridge Volunteer Services  
Welsh Assembly Government (Strategy for Older People)  
West Berkshire Safer Communities Partnership  
Wokingham Safer Communities Campaign  
Wycombe District Council  
Wycombe PCT

#### Partners

Action on Elder Abuse  
Advice NI  
Age Concern Calderdale  
Age Concern Ceredigion  
Age Concern Dorchester  
Age Concern England  
Age Concern Gwynedd a Mon  
Age Concern Herefordshire & Worcestershire  
Age Concern NI  
Age Concern Nottingham & Nottinghamshire  
Anchor Housing Trust  
Annandale & Eskdale Council for Voluntary Services  
Ards Borough Council  
Attendo Monitoring Ltd  
Attendo Response Ltd  
Avis Rent-a-Car Ltd  
BASE Cymru  
Beth Johnson Foundation  
Better Government for Older People  
Better Government for Older People Cymru  
Bournemouth Council  
Brent Admiral Nurse Scheme  
British Red Cross  
Broadway  
Business in the Community  
Caia Park Partnership  
Car Care Plan Limited  
Cardiff Pinnacle plc  
Care & Repair England  
Care & Repair NW Leicestershire  
Care Standards Inspectorate for Wales  
Carlisle & Eden Crime & Disorder Partnership  
The Carnegie United Kingdom Trust  
The Charity Commission in Wales  
Citizens Advice  
Coalition on Charging Cymru  
Community Fund Northern Ireland  
Community Safety Unit (Northern Ireland Office)  
Co-operative Bank plc  
Counsel & Care  
Cynon Valley Crime Prevention Panel

Daily Express  
Diabetes UK  
DtSC (Durham Initiative for Support in the Community)  
Eastern Health & Social Services Board  
Elderly Accommodation Counsel  
Energywatch  
Foresters Friendly Society  
Golden Charter Ltd  
Goodwin Trust  
Grant Information Centre  
Guinness Trust – Tending Home Improvement Agency  
Haimet  
Hampshire Trading Standards  
Hanover Housing Association  
HelpAge International  
Hinkley and Burbage Age Concern  
HM Prison Bullingdon  
Holiday Extras Limited  
Homefirst HSS Trust  
Homeless Link  
Housing Association Charitable Trust (hact)  
Housing Corporation  
Joshua Agency  
Lincolnshire PALS  
London General Insurance Company Ltd  
The Macular Disease Society  
Magherafelt Council  
Maitland House Care Home  
Manor Residents' Association  
Manchester Advice  
Manchester Refugee Support Network  
Professor Siobhan McClelland  
Medicash Health Benefits Limited  
'Meet the Mouse' Cymru  
Merthyr Tydfil County Borough Council  
Monmouthshire County Council  
National Mentoring Network  
National Partnership Forum for Older People in Wales  
National Pensioners' Convention  
Neath Port Talbot County Borough Council  
Newport County Borough Council  
Newry & Mourne HSS Trust  
NHFA Ltd  
NICVA  
NIE  
NI Housing Executive  
Nortel  
North East Lincolnshire Council  
North & West HSS Trust  
Northern Bank  
Nubian Life Resource Centre  
Office of the First Minister and Deputy First Minister (NI)  
Older people's independent forums across Northern Ireland and Wales  
Older People's Programme  
Oxford Institute of Ageing  
Page & Moy Limited  
Pakistan Resource Centre (PRC)  
Jenny Pannell  
Pembrokeshire County Council  
The Pension Service  
Perth & Kinross Constabulary  
Powys County Council  
Prime Focus  
Providence Row  
PSNI  
Rasharkin Community Association  
RBS Insurance  
Rhondda Cynon Taff County Borough Council  
Royal College of Nursing  
Royal Pigeon Racing Association  
Safer Communities Partnership Gnrmsby  
Safer Merthyr Tydfil  
Shelter  
South & East HSS Trust  
St Mungo's  
Sunday Express  
Swansea, City and County  
Thamesreach Bowdway  
Time Banks UK  
Torfaen County Borough Council  
Torridge Voluntary Services  
Translink  
UKI Partnerships  
UNAT Direct Insurance Management Ltd  
Vale of Glamorgan Council  
Walbrook Care & Repair  
Walsall Housing Regeneration Agency  
Watford & Herts against Crime  
Welsh Assembly Government (Strategy for Older People in Wales)  
West View Advice and Resource Centre  
Will Aid  
Winsford House Care Home  
Woking HomeLink  
Woman's Weekly  
Wrexham County Borough Council  
WRVS  
Yours magazine  
Zurich Financial Services

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Fax: 029 2039 0898  
E-mail: [infocymru@helptheaged.org.uk](mailto:infocymru@helptheaged.org.uk)

#### **Publications 2004–5**

*AGEToday* (Citizenship issue)  
*Be Strong, Be Steady* (video)  
*Depression and Older People: towards securing well-being in later life* (with The Policy Press)  
*Don't Mention the F-word!*  
*Dying in Older Age*  
*Encouraging Positive Attitudes to Falls Prevention in Later Life*  
*End-of-life Care* (with The Policy Press)  
*Everyday Age Discrimination*  
*For Richer for Poorer: the financial position of older people in Wales*  
*Hidden Voices: older people's experience of abuse* (with Action on Elder Abuse)  
*In the Right Place: accessibility, services and older people* (pdf)  
*Pensions not Pin Money*  
*Quality of Life in Older Age: messages from the Growing Older Programme*  
*Rights at Risk: older people and human rights*  
*Who Do We Trust? Review of the housing advice needs of black and minority ethnic elders*