

## Help the Aged

Financial statements for the year ended 30 April 2006  
together with Directors' and auditors' reports

Registered company number: 1263446

Registered charity number: 272786



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## Chairman's report

The world's population is ageing rapidly. Already in the UK there are more people over 60 than under 16, and by 2030, almost a quarter of the population will be over state-pension age. The fastest-growing age group is the over 75s where numbers are forecast to reach 7.7 million by 2030. Worldwide, the number of people over 60 will rise from a current 672 million to about 2 billion by 2050.

Faced with these unavoidable trends, it is no wonder that ageing is a hot political topic around the world. Developing countries are wrestling with how to start paying their older people even a basic pension and provide basic health care. The challenge of an adequate income in retirement is dominating agendas across Europe. The UK Government is grappling with how to provide adequate health and social care for many more people in the future. Communities are coming to terms with how to adapt neighbourhoods to cater for the specific needs of an older population.

Our opportunity is to enable older people to play a full part in society, for them to be able to contribute their wealth of experience to the benefit of communities and the nation, and for them as a matter of right to live with dignity and respect in their later years, not losing out on the opportunities that are available to everyone else.

With this tremendous challenge but real opportunity to enable all older people to play a full part in society, Help the Aged is firmly committed to addressing the concerns of those most in need; those older people who endure every day the disadvantages of poverty, isolation and neglect; those who are the most difficult to reach, hidden behind the seemingly unmoveable barriers in their lives; those who are simply not recognised or heard.

Over the past year, a stronger public commitment to the most disadvantaged older people has begun to drive everything that we do. Our starting point is contact with ordinary older people – to listen to them, to understand what they need, to find out from them what they want to make life better. What we learn shapes the changes in policy and practice we seek from government and the services we provide in the community. What we discover underpins our WE WILL. promises, those specific actions that we commit to delivering right across the UK and right across the Charity.

The trustees have played a key role this year in guiding the Charity along this path, particularly in how we help older people live independently at home through our community services in the UK, how we focus a fifth of our charitable expenditure on essential work in developing countries, and how we intend to grow our income over the next five years to help fill the gap between what the Government is delivering over time and what disadvantaged older people need now.

This year I have reviewed the effectiveness of our board to ensure that the trustees are equipped to contribute fully, and that as a group they have a range of skills that are relevant, up to date, and focused on shaping the strategy of the Charity and its practical outcomes.

I want to thank the trustees, staff, and all those involved with the Charity, for their hard work and commitment over the past year.

## Director General's report

The general election of May 2005 showed vividly how older people's issues are centre stage. Whilst the Government has made much progress in responding to the needs of older people, there is still a huge void left by the inadequate pace and scope of its actions. I am delighted to present this year's annual report showing just how important the work of Help the Aged is in bridging this gap.

The financial year has been satisfactory against a general background of slow growth in the charity sector. Our gross income this year was £73.9m, with legacies hitting a record level of £15.5m, and our efficiency at raising voluntary income improving. This has enabled us to spend £32m for the benefit of older people (2004/5; £28m). However, we need to inject even more pace and success into our fundraising if we are to meet the increasing demands on the Charity that results naturally from the growth in the numbers of older people worldwide.

In the past year we have begun many initiatives to develop the Charity in its leading role of meeting the needs of the most disadvantaged older people in the UK and overseas, and making the UK a fairer and more congenial place in which to grow older.

Research remains our bedrock. Our understanding of the needs of older people has deepened through leading-edge projects, such as our death and dying work, and through regular contact with older people in a growing number of forums around the UK, with those who use or buy our services, and with our own volunteers. Our expanding biomedical research programme is at the forefront of understanding the diseases of ageing, total research community funding for which still remains at minimal levels.

We have broadened and deepened our influence with the Government in our campaigning for a better deal for older people, seen in the reflection of older people's needs in key White Papers relating to health and social care, social exclusion, pensions, and a strategy for older people. This engagement has resulted in Help the Aged being asked to take a lead role in an increasing number of forums where our knowledge and influence can be brought to bear to shape policy. We have helped older people become closer and more influential in their own local campaigning and decision-making. Our campaign against elder abuse has been particularly high profile in early 2006.

We have shaped our services in the community to help older people fulfil their desire to live independently in their own homes. We plan to expand our three services – home support, information and advice, and community living – to reach the most disadvantaged communities right across the UK over time.

In developing countries, we will increase the help we give older people through our Sponsor a Grandparent scheme and our tsunami recovery programmes, which are proceeding well although more slowly than planned on housing in Sri Lanka because of the political difficulties in getting land. We have a unique role in ensuring that all international agencies take account of the needs of older people, who are typically forgotten, and we are breaking new ground in preparing communities to cope with potential disasters.

We will drive our income up more aggressively over the next five years. We are investing in a new Commercial Services company to capitalise on the opportunities in financial services, a major donors programme, a new computerised database and analysis system to target donors more effectively, and putting our cause across to the general public much more forcefully.

I would like to express my sincere thanks to all the staff, volunteers, partners, donors, and supporters that make our work possible. Together we will make a real difference to the lives of older people.

## 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 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 financial hardship 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 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 to become more involved in shaping policy and services.

**Prevent future deprivation** to reduce the numbers of people 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 the government's health inequalities target
- 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, and community living, 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 inside back cover):

- 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. Other funding is about £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 (such as 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 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 in our shops, in fundraising, on the benefits advice programmes, at events, on committees and at head office.

## **Our structure**

Help the Aged is organised into eight 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** 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** generates income from many sources, mainly legacies, individual donations and gifts and corporate sponsorship
- **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** provides support services to the Charity, including financial reporting and management, IT, legal, property and internal audit.
- **Human Resources** works to recruit, retain and develop the Charity's employees and volunteers.
- **Commercial Services** raises funds from paid-for services

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.

## **We will combat poverty**

In 2005/6 we said we would:

- 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.
- 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

During the year we have:

### **Today's and tomorrow's pensions**

- been a key player in the pensions' debate, highlighting the problems today's pensioners face, and in influencing the Turner Pension Commission proposals for a simpler, fairer and sustainable pension system for the future
- continued to press Government in its Pensions White Paper to take urgent action for the 2 million pensioners who continue to exist below the poverty line and whom the Turner Pension Commission proposals on future pensions will not help for a least another 10 years
- played an active role in the Women and Pensions Network, which has secured commitment from the Government to take action on the poor state provision for women with broken work records and those who have had caring commitments

### **Benefits take-up**

- provided advice and support to 8,400 older people in Northern Ireland and identified £1.45 million in benefits that older people did not know they were entitled to
- identified almost £5.3 million in unclaimed benefits by providing 17,940 people with information on benefits and 4,000 people with one-to-one sessions on benefits entitlement, and by answering 26,506 benefit enquiries through our SeniorLine telephone service.
- persuaded the Government to improve the low levels of benefit take-up by introducing a 3-page form to replace the existing 28-page one, allowing Pension Credit recipients to claim Housing Benefit and Council Tax Benefit
- pressed the Government to develop the automatic payment of benefits, removing the need for older people to have to claim through a demeaning means-testing process
- secured in Northern Ireland significant protection for pensioners in low-income households, effectively cutting bills in half when water charges are introduced in 2007
- persuaded the Welsh Assembly Government to give £100 to all older people whose homes went up by more than two Council Tax bands in the April re-banding

### **Avoidable winter deaths**

- improved the homes and lives of over 667 vulnerable older people through the British Gas 'here to HELP' scheme and laid the groundwork for improvements to over 2,000 homes in 2006/7
- persuaded the Government to commit an extra £300 million of investment to providing free central heating and insulation to all Pension Credit recipients and discounts to all other pensioners, and publicised these schemes.
- launched a joint campaign with British Gas and the Mayor of London to deliver over half a million free thermometers and tips on keeping warm in winter to pensioner households in London
- provided advice on energy efficiency to over 135,000 older people throughout the UK with our *Cold Can Kill* pack and *Let the Warmth In* booklet

### **Social exclusion**

- influenced the Government's report on excluded older people, *A Sure Start to Later Life*, which includes 30 agreed government actions to improve the lives of the most disadvantaged older people in the UK
- started work to address the 'poverty of place' in which people live by looking at ways to improve neighbourhoods and redress the impoverishment of communities through the gradual withdrawal of post offices, banks and local shops

### **Next year we will:**

- publish ground-breaking research and use it to bring pressure to bear for a government commitment to end pensioner poverty, linking to the work of the Pensions Commission and the Government's response;
- continue our work to combat material deprivation by working to improve housing and benefits and secure the extra help people need to live in decency
- provide practical tools and advice, in conjunction with British Gas, that help prevent older people dying from the cold
- work with Barclays to deliver a national network of projects providing money management and debt advice to 4,752 older people, detailed one-to-one advice to 2,080 older people, and £260,000 in debt reduction for older people
- answer 90,000 calls through SeniorLine, our free telephone advice and information service, and expand our service to be able to take up to one third more calls
- support 30,850 older people throughout the UK to claim £3.65 million in benefits to which they may be entitled, through our benefits advice programme and SeniorLine service.
- work to get older people involved in shaping their own neighbourhoods through local community development initiatives

### **Statistics (poverty):**

**19 per cent** of older people in Great Britain are living below the poverty line (60 per cent of contemporary earnings)

**47 per cent and 42 per cent of pensioners** fail to take up Council Tax Benefit and Pensions Credit respectively that are rightfully theirs

In an average week, a single pensioner spends **£21.50** on food and drink

The average weekly disposable income is **£140** for single pensioners.

Every year between 20,000 and 50,000 older people in the UK die prematurely from cold-related illnesses.



## **We will reduce isolation**

### **In 2005/6 we said we would:**

- **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 SeniorMobility 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**, our campaign to raise awareness of loneliness and isolation among older people, 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

### **During the year we have:**

#### **Home support**

- equipped 3,360 additional older people with the SeniorLink response service in Great Britain and the CareLine immediate response service in Northern Ireland, bringing the total number of connected clients in the UK to 16,392.
- secured the homes of 16,000 older people through our HandyVan service, including a new chargeable service for those who can afford to pay and our first ever scheme in Northern Ireland
- improved the quality of life for almost 20,000 older people by setting up specialist neighbourhood warden schemes in Hull, Walsall and Bournemouth to support older people in their homes and communities.

#### **Community living**

- provided 54 vehicles to older people's groups in Great Britain through our SeniorMobility scheme, meeting the growing need for specialist transport for older people
- lobbied the Department for Regional Development in Northern Ireland to improve the current 'Smart Pass' transport scheme for retired women aged 60–65, ran a campaign throughout the UK to encourage take-up of free bus passes, and pressed UK government for funding more transport options for older people as well as buses
- influenced the Government to start production of a Community Safety Strategy for Older People in Northern Ireland
- launched the Time Bank in Torrington, meeting the needs of older people and giving them the opportunity to participate in their community through the exchange of time and skills.
- raised over £200,000 through our Hug campaign to support our work with isolated older people.
- distributed £155,800 to older people's groups throughout the UK to provide hot meals at Christmas.
- launched the National Coalition on Active Ageing to encourage providers of exercise facilities to make them more accessible and relevant to older people

#### **Information and advice**

- provided computer training to 516 older people in Northern Ireland through 16 courses delivered in the community in libraries and schools, and to 27 volunteer peer educators to deliver training in their own communities
- delivered over 3 million copies of our 24 advice booklets on subjects such as health and money through a network of 17,000 organisations
- supported the Drws Agored community resource centre in Wales to serve the needs of disadvantaged older people on the Llyn Peninsula
- began discussion with Government about how to support older people through the change-over to digital television so that many people's companion and lifeline is not removed

### **Next year we will:**

- reduce isolation among older people and support their independent living through the new Call in Time programme, delivered in partnership with employee volunteers from the Zurich Community Trust
- identify and strengthen weaknesses in the 'joins' between older people and society, especially in transport, digital technology and the use of money
- influence every relevant policy-maker and politician across the UK to communicate the scale and severity of older people's exclusion from normal life and opportunity
- increase by 12.5 per cent help and advice to older people through our wills advice and information service, reaching 450,000 older people
- ensure through Peer Speaking programmes that messages of concern and interest to older people are delivered to older people by specially trained members of their peer group, starting with four pilots on doorstep crime in different areas of Scotland

- present 65 vehicles to older people's groups through our SeniorMobility scheme to meet the needs of the growing number of older people requiring specialised transport
- award £180,000 in lunch grants to older people's groups throughout the UK to help reduce the isolation of 30,000 older people
- ensure that older people remain at the heart of community life and are properly consulted on issues that affect them, by maintaining our programme of focus groups drawn from existing forums
- secure the homes of 20,000 older people and carry out other small jobs through our HandyVan service, including 1,000 through our new chargeable service for those who can afford to pay
- further develop neighbourhood warden schemes across the UK, enabling at least 20,000 older people to link into local services and networks and to contribute to community development

#### **Statistics:**

**Over three-quarters of a million** people aged 65 and over in the UK feel lonely.

**13 per cent** of people aged 65+ in the UK do not get out of their homes more than once a week.

**81 per cent** of people aged 65 and over in Great Britain have never used the internet.

## **We will challenge neglect**

In 2005/6 we said we would:

- 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.

During the year we have:

### **Dignity in care**

- gathered older people's views on end-of-life issues by hosting a series of listening events around England and Wales, and launched two major reports into the circumstances faced by older people at the end of their lives to highlight the fundamental inequities in the availability of good quality, person-centred care. Worked closely with the Government to support the End-of-Life Care Programme to strengthen the case for improvements.
- published new research highlighting the impact of poor access to NHS foot-care services on older people's health and well-being, and called on the Government to treat NHS podiatry services for older people as a major public health concern. The lack of access to NHS foot-care services was subsequently highlighted in the evaluation of the progress report on the National Service Framework for Older People
- called for immediate improvements in the delivery of care services for older people to influence the Government's new White Paper on health and social care services.

### **Elder abuse**

- launched the Help Stop Elder Abuse campaign throughout the UK, in support of which 168 MPs signed an Early Day Motion, and distributed awareness-raising materials including booklets, leaflets, posters and, in Northern Ireland, an elder abuse video. Campaign doubled the number of calls to the Action on Elder Abuse helpline.
- promoted the Adult Care and Protection (Scotland) Bill, which is likely to become law in Autumn 2006, and called for closer integration of health and social care after our consultation with older people on the Government's White Paper.

### **Quality of life**

- launched the first-ever National Falls Awareness Day to raise awareness of the risk of falls among older people and ways to reduce this risk in order to maintain independence and mobility into healthy older age. Over 270 events, attended by 9,000 older people, took place across the UK.
- continued to press for investment in services to help older people to stay healthy and independent, including making the case for investment in low-level social care which continues to be in decline
- supported the Department of Health's Partnerships for Older People pilot programme, which is investing £60 million in pilot projects to develop systems to strengthen preventive services
- acted as advocates for almost 2,000 older people through SeniorLine, and provided a specialist advocacy service to 27 older people to support their relocation following a residential home closure in the South and East Belfast Trust area.
- advised the Government on the introduction of integrated 'one-stop shops' for older people, entitled *LinkAge Plus*, in accessing information and support

### **Paying for care**

- distributed 86,000 pieces of advice literature and other promotional materials to older people in England, Wales and Northern Ireland, including practical advice on what to do to challenge decisions denying them fully-funded NHS care.
- worked closely with other stakeholders to highlight the plight of older people forced to pay for long-term care needs that should be met by the NHS, and called for greater consistency at a local level about who pays for care
- highlighted the impact of chronic under-funding in social care, which contributed to Sir Derek Wanless's major research project on long-term sustainability of social-care funding, commissioned by the King's Fund
- played a major role in a study undertaken by the Office for Fair Trading on care home fees.

#### Next year we will:

- ensure that older people's voices on end-of-life care are heeded and secure a long-term strategy to follow the Government's short-term programme when it ends next year, and give real meaning to the phrase 'dying well'
- press forward our campaigning to improve dignity in care and to secure a fair and transparent system for the funding and payment for health and social care
- press on with our five goals for ending elder abuse, of stringent protection, tougher prosecution, upgraded training, better professional practice and kinder and more well informed communities.
- ensure, in conjunction with other stakeholders, that the forthcoming Adult Care and Protection Bill (Scotland) offers protection against abuses for all vulnerable members of our society, including vulnerable older people
- make sure that the Strategy for an Ageing Population develops into a set of realities ensuring that Scotland sets the scene as a country in which older people can age with dignity and support
- campaign to ensure that older people's issues remain at the heart of political parties' manifestos in the run-up to the elections in Scotland and Wales in 2007
- publish and promote evidence and best practice on how older people can enjoy contented and fulfilling lives in a care home
- work with other national agencies to promote the growth of home-from- hospital projects in areas not served by them
- grow our Gifted Housing service for older people

#### Statistics:

Almost 1 in 3 older people aged 65 and over do not describe themselves as happy with their quality of life.

A total of **22 per cent** of people aged 65 and over (over 2 million) have expressed a need for but not received help with foot-care problems, everyday housework and regular dental check-ups.

**19 per cent** of people aged 75+ in the UK find it very difficult to get to their local hospital and **8 per cent** have difficulty getting to their doctor's surgery.

## **We will defeat ageism**

### **In 2005/6 we said we would:**

- 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.

### **During the year we have:**

#### **Equality**

- worked to bring about regulations banning age discrimination in employment, due to be launched in October 2006. Although these were a step in the right direction, the regulations are flawed as it is highly likely that they will be challenged in the courts. We continue to press for mandatory retirement ages to be abolished.
- secured the inclusion in the Green Paper on equality law that all public bodies are duty-bound to promote age equality, and continued to press for age to have equal status in law with other forms of discrimination
- made sure major age organisations and networks know about, and have an opportunity to influence, developing government policy on equality and human rights
- lobbied the Equality Commission's new Chief Commissioner in Northern Ireland to highlight older people's needs in relation to the Single Equality Bill.
- provided evidence to the equalities review led by Trevor Phillips to ensure ageism is properly recognised

#### **Human rights**

- worked to bring about the passing of the Equality Act to establish the Commission for Equality and Human Rights scheduled for launch in 2007
- put the case to the Scottish Executive for a dedicated Human Rights Commissioner.
- published *Rights at Risk* to highlight how existing human rights legislation is failing to protect some of the UK's most vulnerable older people by exposing the acts of mistreatment that cannot currently be dealt with under the Human Rights Act.

#### **Speaking Up for Our Age**

- continued to expand our Speaking Up for Our Age network into those areas of the UK that do not yet have a forum, leading to rapid growth of independent forums across the UK
- enabled forums to become more self-sustaining and effective by helping them to communicate with one another and to share experience, learning and best practice
- began to develop forums for people with different cultural backgrounds so that the voices of those most difficult to reach are encouraged and heard

#### **Changing attitudes**

- raised the profile of lifelong learning, vocational training and career guidance for adults through a number of channels, against a backdrop of falling funding for adult learning, and piloted a phase of the Growing Older in Wales age and ageism education resource
- worked with other national organisations to commission, publish and circulate 2,500 copies of a short good practice guide aimed to help service commissioners deliver service to people in rural areas
- successfully piloted a phase of the Growing Older in Wales age and ageism education resource

#### **Next year we will:**

- work towards the full implementation of the Strategy for Older People in Wales. Continue to challenge ageism, and support the development of Commissioners for Equalities and Human Rights, and for Older People, and the necessary legislation to ensure the fair and equal treatment of all older people in Wales
- launch a 'rights' campaign to engage older people on ageism and build support for the Single Equality Bill which will likely be mentioned in the Queen's Speech in 2007 and likely come before Parliament in 2008. This is a unique opportunity to ensure that ageism is treated on an equal basis as other forms of discrimination.
- secure the closing of the legal loophole that allows care providers to ignore the Human Rights Act
- launch an age-awareness week in partnership with Age Concern Northern Ireland as a key mechanism to promoting age and ageing issues in Northern Ireland
- publish and campaign with a uniquely large and comprehensive study of how ageism spoils lives
- develop forums in areas without them, raise the profile of Speaking Up for Our Age across the local and national statutory sector to increase involvement of forums in decision-making, and provide training for forums and regional development officers working with them to increase their capacity
- maintain a high-profile influential role in the development of age discrimination legislation in employment coming into force in October 2006. This will include delivery of the TAEN programme, sponsored by Department of Trade and Industry, for raising awareness and capacity-building with the advice sector, other important intermediaries and individuals.

#### **Statistics:**

**34 per cent** of older people aged 65 and over in the UK say that older people are treated worse than younger people in daily life.

**28 per cent** of people aged 65 and over in the UK say they have experienced age discrimination within the NHS.

## **We will prevent future deprivation**

### **In 2005/6 we said we would:**

- 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

### **During this year we have:**

#### **Biomedical research**

- provided nearly £1.2 million for biomedical research into age-related conditions, including an incontinence project to prevent catheter blockages that cause infections and shorten lives, an ageing process project to reduce susceptibility to infectious diseases in older people to improve their quality of life, and a stroke and circulation project to develop a treatment for post-stroke depression
- organised public and fundraising events to celebrate the 30<sup>th</sup> anniversary of Research into Ageing, our specialist biomedical research arm. This includes throughout 2006 public lectures and dinners around the UK, some of which were hosted by royalty; special 30<sup>th</sup> anniversary celebration fellowships and an intergenerational poetry competition
- led the ageing research agenda in the UK by taking up the chair of the Funders' Forum on Ageing Research
- responded to the House of Lords' inquiry into the science of ageing and worked with the United Nations, the World Health Organization and the International Association of Gerontology to help direct the international research agenda.

#### **Care**

- called on the Government to introduce greater choice and control for older people in adult social care and to stop the decline in the number of households receiving low-level social care services
- worked with other organisations to highlight the devastating impact of the lack of basic social care on older people's lives

#### **Active ageing**

- launched a National Coalition for Active Ageing in the House of Commons, which was welcomed by Culture Minister Tessa Jowell MP and Olympic Gold medallist Dame Kelly Holmes and supported by 160 MPs through an Early Day Motion.
- helped to ensure that Ageing in an Inclusive Society, the strategy to promote and support the inclusion of older people in Northern Ireland, addresses all the needs of older people when put into practice
- contributed to the Pension Commission's final report on helping people to successfully extend their working lives; the Leitch Review on Skills report; and the Department for Education and Skills review of adult career information, advice and guidance provision.

#### **Social research**

- led a joint research project, advised by the Department of Health, with the Met Office and Loughborough University, which seeks to develop a new system of health forecasting for older people in the community
- distributed research on end-of-life issues to all local authority social service departments, primary care trusts, independent forums, regional health authorities, key influencing bodies and governmental departments in the UK, and to older people for their use in day-to-day influencing and lobbying activity

### **Next year we will:**

- campaign for the introduction of an older person's strategy for Northern Ireland
- work towards giving older people in Wales an independent voice wherever decisions are made that affect their lives
- continue to sponsor the very best scientific biomedical research into ageing
- lead the Funders' Forum on Ageing Research, uniting the key funding organisations behind a shared vision of what society most needs to achieve through research, and make new efforts to get research knowledge into the daily thinking and work of policy-makers and practitioners.
- exert maximum influence on the Government and its agencies, employers, media, our members and other audiences to ensure that action and resources match rhetoric on extending working life, welfare to work programmes, health and well-being, all-age career guidance, training and the skills strategy.

**Statistics:**

Estimates suggest that the number of people affected by dementia will rise from 700,000 to **1.5 million** by the middle of the 21<sup>st</sup> century

**46 per cent** of British people aged 75+ have a limiting long-standing illness. For 65–74-year-olds, the figure is **33 per cent**.

**Over half** the working age population – 57 per cent – is not contributing to a non-state pension



## **We will help people in developing countries**

### **In 2005/6 we said we would:**

- Deliver practical aid to the most vulnerable through:
  - our work in existing and new disaster areas: in 2005/6 we intend to spend about £3.9 million on our tsunami rehabilitation programmes in India and Sri Lanka via agencies working with local community organisations and older people
  - our re-launched 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
  - improving 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 via a pension towards the poorest older people, as part of the high-profile international campaign being run by the coalition of which we are a member.

### **During this year we have:**

#### **Practical aid**

- continued our three-year programme to help older people affected by the tsunami to rebuild their livelihoods.
  - In India, enabled over 150 farmers to go back to making a living from their land, and supported nearly 8,000 older people by replacing lost equipment and animals, and by helping them to establish small shops.
  - In Sri Lanka, helped over 10,000 older people to re-establish businesses, including cycle repairs, sweetmeat-making, tailoring and small shops, and helped to establish six medical camps and mini eye hospitals which have treated over 2,000 older people.
  - In Indonesia, put pressure on agencies working there to take the needs of older people into account.
- offered support to other developing countries around the world affected by other disasters:
  - provided nutrition, shelter, health and protection to displaced people in Darfur
  - set up a short-term healthcare programme for older people with chronic conditions and those in need of counselling, supported an existing water and sanitation programme, and provided food, basic medicines and other non-food items in Pakistan
- launched an innovative partnership with CARE International to provide direct cash transfers to older people caring for orphaned and vulnerable children in Zambia
- launched our new Sponsor a Grandparent scheme, which is now working with about 23,000 older people through over 360 community-based organisations. Built closer links with our partners overseas to ensure money is used as effectively as possible to provide better lives for older people and their communities throughout the developing world.
- continued to build our network of 53 Mobile Medicare Units throughout India to provide medical care to poorer older people in rural areas who would otherwise have no treatment

#### **Age organisations**

- entered a new strategic partnership with HelpAge International to give a clear focus to the programmes Help the Aged supports overseas, especially Sponsor a Grandparent, emergencies and disaster preparedness, HIV/AIDS, health and social protection, network capacity-building and campaigns.
- supported our partners in the Czech Republic to successfully lobby for equal rights for older carers in law and achieve a review of social services legislation
- helped our partners in Slovenia to contribute to a national review of domestic violence legislation
- assisted our partners in Lithuania to gain representation for the first time in a parliamentary debate on older people's issues
- became a founding member of the World Forum on Elders in Disasters, which builds on experience from disasters, such as the tsunami and Hurricane Katrina, to ensure that the needs of disadvantaged older people are not forgotten in such situations
- helped to establish the African Research on Ageing Network, based at the Oxford Institute on Ageing

### **Campaigning**

- made our own call to 'Make Poverty History for Older People' as a member of the **MAKEPOVERTYHISTORY** coalition, calling for a pension for older people in developing countries as one of the most effective ways of overcoming poverty, increasing access by families to basic health care and education, and preventing poverty in future generations.
- the **MAKE POVERTYHISTORY** campaign itself led to world leaders committing themselves for the first time to the principle of 100 per cent debt cancellation for poor countries and promising to increase the amount of overseas aid they give to the poorest, most disadvantaged people
- began to engage older people with our work in developing countries to increase support for the Charity, drawing on the parallels that exist between ageing issues in the UK and in other countries

### **Next year we will:**

- ensure the generous support of the public to disaster appeals results in better lives for older people affected by catastrophes such as the tsunami, the Kashmir earthquake, food shortages in Eastern Africa and the civil war in Sudan
- work with leading charities to put older people into the centre of their disasters work and in selected vulnerable areas improve the state of readiness to respond to future disasters
- support new age-related organisations in other countries to grow into robust, successful campaigners for age
- aim to grow the Sponsor a Grandparent scheme by 24 per cent to help support more older people around the world in areas of extreme disadvantage
- develop our Mobile Medicare Unit programme to launch units in the ten poorest and most isolated districts across rural India, as identified through the Human Poverty Index for India

### **Statistics:**

66 per cent of the world's older people live in developing countries. By 2050, this will increase to 80 per cent.

80 per cent of older people in developing countries have no regular income.

More than 90 per cent of all visually impaired individuals live in developing countries.

## Charitable Activities

Expenditure on charitable activities totalled £32.1 million for the year (2004/5: £28.0m). The distribution of this expenditure over the key objectives of the Charity is shown on Chart 1 below. More detail of the achievements and of the activities undertaken during the year is given earlier in this Annual Report.

The Charity aims to maximise the amount spent on charitable activities, subject to its Reserves policy (see under "Reserves" below), and aiming to spend approximately a quarter of that amount on international activities, whilst ensuring optimal effectiveness in line with the Charity's objectives.

## Generating Funds

The Charity aims to attract income from a wide range of sources, as shown on Chart 2, and continuing focus is given to ensuring optimal efficiency in the generation of that income. The margin on our Retail activities is at 8%, with a series of initiatives being undertaken to improve this for the future, and to optimise the use of our High Street presence for the benefit of the Charity. The fundraising ratio for voluntary income is at 24%, an improvement over the 28% in 2004/5. Legacies income at £15.5m (2004/5: £14.0m) was again at a record level.

The Charity continues to be significantly dependent on voluntary income. Diversification of funding through increased provision of financial services and assistive technology is currently being developed.

## Reserves

The Charity's reserves policy is to maintain general (free) reserves at a level to provide a minimum of thirteen weeks' total unrestricted resources expended. At the end of 2005/6 free reserves stood at 16 weeks (2004/5: 11 weeks), the increase being largely as a result of unrealised gains in our total investment portfolio of £3.5 million (2004/5: £0.7m). Without these unrealised gains, free reserves would have been in line with the policy at the end of the year.

Chart 1)

### **Charitable expenditure: £32.1 million**

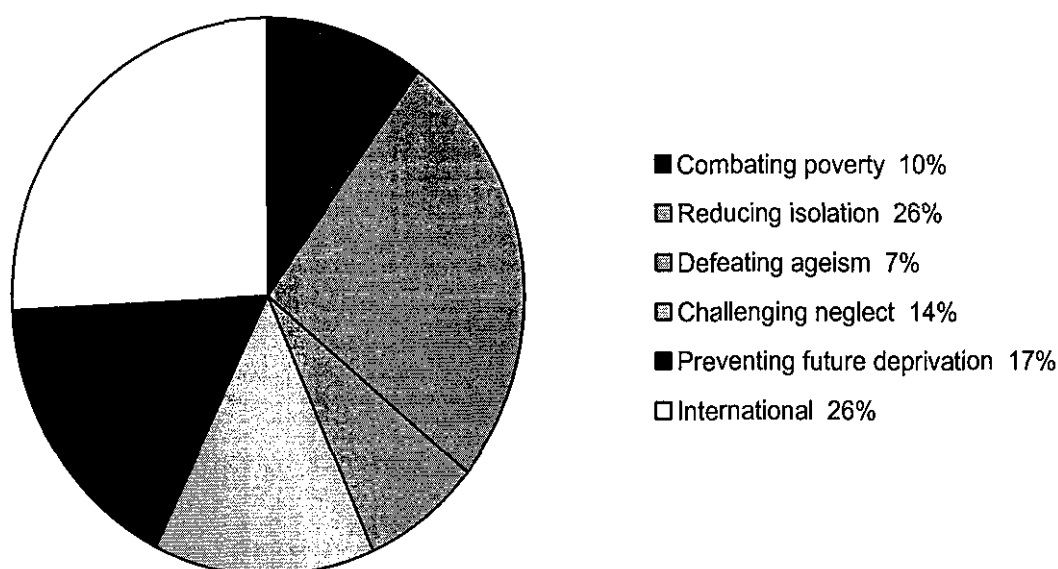
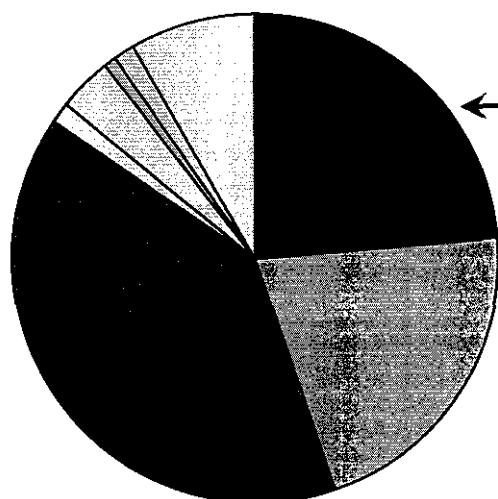


Chart 2)

## Income by source: £73.9 million



### Donations & gifts £m

Individual	8.6
DEC	3.3
Gift Aid	2.2
Corporate donations	0.4
Payroll Giving	0.3
Gifts in kind	0.4
Other donations	2.3
	<b>17.5</b>

■ Donations & Gifts £17.5m	■ Legacies £15.5m
■ Retail £29.4m	□ Grants £1.1m
□ Merchandising £2.7m	■ Events £0.6m
■ Investments £0.9m	■ Other £6.2m

# Corporate governance

## **Governance and decision making**

Help the Aged is a Charity constituted as a Company Limited by Guarantee, therefore subject to Charity, Trust and Company Law, and governed by a Memorandum and Articles of Association. The objects for which it 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 6 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, International and Property. 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 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 process for recruiting new Trustees is based on an evaluation of the balance of diverse skills and experience needed to govern the Charity in its breadth. Newly appointed trustees receive a letter of appointment, an induction programme and ongoing updates during their term. Trustees are elected normally for a term of four years with a maximum period of service of two terms.

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 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 Property Committee considers the disposition of property by the Charity.

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 Director General, the Director of Policy, Research and International Development and the Charity's international manager attend meetings of the International Committee. The Charity's head of property and facilities attends meetings of the Property Committee.

## Corporate governance (continued)

### **Statement of Trustees' responsibilities**

The trustees are responsible for preparing the Annual Report and the financial statements. The trustees have chosen to prepare accounts for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the surplus or deficit of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a trustees' report which comply with the requirements of the Companies Act 1985.

The trustees are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

### **Information provided to auditors**

With regard to the preparation of this Annual report and the Financial Statements, so far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **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.

It is the Charity's policy that:-

- The Charity undertakes no activity in its direct dealings with elderly people, its campaigns, and its fundraising (whether by the charity or its trading subsidiaries), that does not fit with, support or reflect its stated mission statement, its manifesto and its core values. Most particularly, any activity which might risk tangible or intangible abuse of or harm to an elderly person or elderly people, is unacceptable.
- As the single most significant identified risk to Help the Aged is that of damage to its reputation, particular focus is given to ensure its proper protection. In particular, all staff are fully aware of the significance of reputation to HTA's success in achieving its objectives.

## Corporate governance (continued)

- As the Charity is committed to implementing and maintaining best practice with regard to risk management, the concept and related processes are embedded into routine operations, thus complying with the guidance contained within the Turnbull Report.
- Major risks, changes to the Charity's risk profile, and actions to be taken are recorded in the risk register and reported to Trustees through the Risk Management process. Other elements of the internal control framework (in particular the delegations of authority, reporting against the balanced scorecard, and the activities of the Audit Committee) provide further assurance to Trustees that risks are being appropriately addressed.

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.

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. The Trustees are also pleased to report that the Charity's corporate governance and internal control processes and systems during this year have complied 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.

### Reserves

During the year the Trustees reviewed the reserves policy and reconfirmed it as being to maintain general (free) reserves at a level to provide a minimum of thirteen weeks' total unrestricted resources expended. At the end of 2005/6 free reserves stood at 16 weeks (2004/5: 11 weeks), the increase being largely as a result of unrealised gains in our total investment portfolio of £3.5 million (2004/5: £0.7m). Without these unrealised gains, free reserves would have been in line with the policy at the end of the year.

The Trustees consider this to be appropriate to ensure the continued ability of the Charity to meet its objectives.

The actuarial valuation of the Help the Aged pension scheme at 30 April 2006 for the purposes of FRS 17 showed a funding deficit of £4.1 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 triennial actuarial valuation of the pension fund is due to take place as at 30 September 2006. Contributions to the plan will be adjusted to take account of the result of this valuation and are met through planned income, the pension liability is, 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 2006/7 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.

Designated funds are amounts set aside at the discretion of the trustees for a particular project or use. The Development reserve is set aside for a number of strategic, discretionary projects. The Maintenance reserve covers major repairs and cyclical maintenance to a number of Help the Aged's larger properties. The Works reserve has been set up to cover works required on dilapidations under the lease of the Head Office building at the end of the lease. The Pension Fund reserve is an amount allocated to fund extra contributions towards the final salary pension scheme.

### Investments

The Trustees agreed the following statement of investment principles at a meeting of the Board on 23 March 2006:

- 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.

## Corporate governance (continued)

- 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 Index Selection funds its overseas investments are invested. During the year the Charity transferred its overseas investments from Barclays Global Investors Aquila funds to Index Selection funds. 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 / Index Selection	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.
- The Charity screens all Investment Fund Managers to ensure that their business policies conform from an ethical standpoint to Help the Aged's objectives.

At 30 April 2006 the Charity's investment details and performance against benchmark were:

Fund	Mkt value 30/4/05	Additions in year	Disposals in year	Mkt value 30/4/06	Allocation on Mkt value	Investment Allocation Benchmark	Fund Return	Index Return	Comparison against benchmark
	£'000	£'000	£'000	£'000	%	%	%	%	%
Charishare	5,172	2,000	0	8,765	49.94	50.00	31.30	32.40	(1.10)
BGI Total	5,155	10,788	(8,787)	8,773	49.99	50.00	31.60	34.20	(2.60)
North America	1,760	3,372	(2,692)	2,753	15.69	17.00	17.00	22.40	(5.40)
European (ex UK)	1,634	3,454	(2,814)	2,507	14.28	16.00	35.00	41.30	(6.30)
Japan	1,139	2,004	(1,564)	2,388	13.61	11.00	51.70	50.90	0.80
Pacific Rim	622	1,958	(1,717)	1,125	6.41	6.00	31.30	39.20	(7.90)
Cash	30	1,813	(1,831)	12	0.07	0.00	0.00	4.50	(4.50)
	10,357	14,601	(10,618)	17,550	100	100	9.70	9.00	0.70

Index figures provided by Russell Melon

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 Ibcu'.

At 30 April 2006 the group's cash and short-term deposits stood at £9.2 million. During the year the average return made by the group's cash deposits was 4.33% against an average bank rate of 4.57%.

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 £131,812 (2005: £38,312), held by the charity of C E Saunders, an endowed fund of the Charity.



## Corporate governance (continued)

There is an unrealised gain on the Fledgling bond and UK equity fund units of £136,091 (2005: £40,943), held in the Gillingham Endowed Fund.

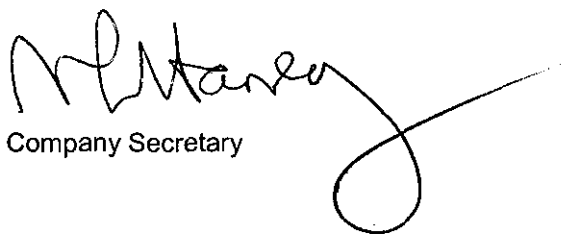
There is an unrealised gain on the Fledgling bond and UK equity fund units of £8,686 (2005: £2,713), held by the charity of Miss Edna Lipson, an endowed fund of the Charity.

### **Grant making policy**

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 13 July 2006 by:

A handwritten signature in black ink, appearing to read 'M. H. H. H.', with a large, sweeping loop at the end.

Company Secretary

# Independent auditors' report

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELP THE AGED

We have audited the group and individual charity financial statements of Help the Aged for the year ended 30 April 2006 which comprise the consolidated statement of financial activities, the consolidated and individual charity balance sheets, consolidated cash flow statement and the related notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

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

### Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report on the consistency of the trustees' report with the financial statements, if the charity 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 other transactions is not disclosed.

We read the trustees' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual charity's affairs as at 30 April 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the trustees' report is consistent with the financial statements.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

*4 September 2006*

# Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)

For the year ended 30 April 2006

		Unrestricted funds £'000	Restricted funds £'000	Total 2006 £'000	Total 2005 £'000
<b>Incoming resources</b>	Notes				
<b>Incoming resources from generated funds</b>					
Voluntary income					
Donations and gifts		5,400	12,134	17,534	19,083
Legacies		13,324	2,176	15,500	13,972
Grants		146	996	1,142	1,498
Activities for generating funds					
Sale of donated and bought in goods		29,439	-	29,439	29,989
Merchandising and commission		2,627	58	2,685	3,320
Events		544	86	630	459
Investment income	2	762	166	928	788
<b>Incoming resources from charitable activities</b>					
Combating poverty	5	25	377	402	127
Reducing isolation	5	864	2,312	3,176	2,366
Challenging neglect	5	184	179	363	365
Preventing future deprivation	5	882	148	1,030	1,661
International	5	181	-	181	165
<b>Other incoming resources</b>					
Gain on disposal of fixed assets		902	-	902	652
<b>Total incoming resources</b>		55,280	18,632	73,912	74,445
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Fundraising		3,760	3,493	7,253	8,240
Legacies		549	2	551	1,010
Grants		208	38	246	331
Fundraising trading: costs of goods sold and other costs					
Cost of selling donated and bought in goods		26,948	-	26,948	27,510
Merchandising and commission costs		1,781	32	1,813	2,504
Events costs		744	-	744	965
Investment management costs		75	-	75	62
		34,065	3,565	37,630	40,622
<b>Net income available for charitable activities</b>		21,215	15,067	36,282	33,823
<b>Charitable activities</b>					
Combating poverty		1,982	1,184	3,166	2,431
Reducing isolation		4,067	4,240	8,307	7,311
Defeating ageism		1,528	860	2,388	2,121
Challenging neglect		3,955	586	4,541	3,571
Preventing future deprivation		3,898	1,491	5,389	6,325
International		2,318	5,965	8,283	6,281
		17,748	14,326	32,074	28,040
Governance		237	-	237	230
<b>Total resources expended before joint venture and transfers</b>	6	52,050	17,891	69,941	68,892
<b>Net incoming / (outgoing) resources before joint venture and transfers</b>		3,230	741	3,971	5,553
Share of operating (loss) of joint venture	13	-	-	-	(10)
<b>Net income for the year</b>		3,230	741	3,971	5,543
Gains on investment assets		3,210	277	3,487	713
Actuarial gains/losses on defined benefit pension schemes	23	1,322	-	1,322	(754)
<b>Net movement in funds</b>	11	7,762	1,018	8,780	5,502
<b>Reconciliation of funds</b>					
Total funds brought forward as reported	19	7,659	6,874	14,533	9,031
<b>Total funds carried forward</b>	19	15,421	7,892	23,313	14,533

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 £842,530 (2005: £710,718), there was an unrealised gain of £131,812 (2005: £38,312) on the Charity of C E Saunders Fund. The Gillingham Endowed Fund £922,041 (2005: £785,950), there was an unrealised gain of £136,091 (2005: £40,943) on the Gillingham Endowed Fund. The Charity of Miss Edna Lipson £62,592 (2004: £53,906), there was an unrealised gain of £8,686 (2005: £2,713) 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 £3,971k (2005: £5,543k).

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

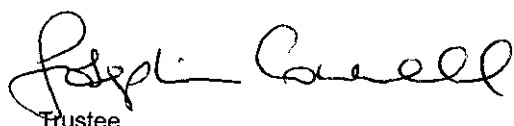
# Balance sheets

As at 30 April 2006

	Notes	Group		Charity	
		2006 £'000	2005 £'000	2006 £'000	2005 £'000
<b>Fixed assets</b>					
Tangible assets					
Housing properties		7,514	7,951	7,514	7,951
Other assets		1,915	2,533	1,915	2,533
	12	9,429	10,484	9,429	10,484
Investments	13	22,386	13,916	21,463	13,993
		31,815	24,400	30,892	24,477
<b>Current assets</b>					
Stocks		226	223	-	-
<b>Debtors:</b>					
Amounts falling due within one year	14	9,659	7,971	11,475	9,061
Amounts falling due after more than one year	15	-	-	1,712	1,749
Cash at bank and in hand		6,163	7,709	2,915	4,135
		16,048	15,903	16,102	14,945
<b>Creditors:</b>					
Amounts falling due within one year	16	(12,943)	(11,704)	(12,115)	(10,864)
<b>Net current assets / (liabilities)</b>		3,105	4,199	3,987	4,081
<b>Total assets less current liabilities</b>		34,920	28,599	34,879	28,558
<b>Creditors:</b>					
Amounts falling due after more than one yr	17	(2,035)	(2,112)	(2,035)	(2,112)
Provision for liabilities and charges	18	(5,448)	(5,790)	(5,448)	(5,790)
<b>Net assets excluding pension liability</b>		27,437	20,697	27,396	20,656
Defined benefit pension scheme liability	23	(4,124)	(6,164)	(4,124)	(6,164)
<b>Net assets including pension liability</b>		23,313	14,533	23,272	14,492
<b>Funds</b>					
Endowment	19	1,827	1,550	1,827	1,550
<b>Restricted:</b>					
Restricted – United Kingdom	19	6,251	5,634	6,251	5,634
Restricted – International	19	(186)	(310)	(186)	(310)
<b>Unrestricted:</b>					
Designated	19	3,225	2,444	3,225	2,444
General reserves					
Revaluation reserve	19	4,172	2,518	4,172	2,518
Other general reserves	19	12,107	8,820	12,107	8,820
		16,279	11,338	16,279	11,338
Pension Reserve	19	(4,124)	(6,164)	(4,124)	(6,164)
Non-charitable trading funds	4	41	41	-	-
<b>Total funds</b>	19	23,313	14,533	23,272	14,492

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 13 July 2006 and signed on their behalf by:

  
Trustee

  
Trustee

# Consolidated cash flow statement

For the year ended 30 April 2006

	Notes	2006		2005	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	21		1,921		2,199
<b>Returns on investments</b>			928		788
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets	12	(644)		(843)	
Receipts on sale of tangible fixed assets		1,250		944	
Purchase of investments	13	(21,788)		(11,100)	
Receipts on sale of investments	13	16,805		9,124	
			(4,377)		(1,875)
<b>Net cash (outflow) / inflow before financing</b>			(1,528)		1,112
<b>Financing</b>					
Net repayment of interest free loans	22		(18)		(39)
<b>(Decrease) / increase in cash</b>			(1,546)		1,073

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 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 397 of the SORP.

#### *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.
- Income (including grants): where related to performance and specific deliverables income is accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued.

## 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

	2006 £'000	2005 £'000
Dividend income	420	450
Short-term deposits	508	338
	<u>928</u>	<u>788</u>

### 3 Results for Research into Ageing

	2006 £'000	2005 £'000
<b>Incoming resources</b>		
Donations and gifts	457	270
Legacies	369	524
Grants	279	222
Merchandising	58	246
Events	18	-
Investment income	1	1
<b>Total incoming resources</b>	<u>1,182</u>	<u>1,263</u>
<b>Resources expended</b>		
Cost of generating funds		
Fundraising expenditure	(279)	(175)
Legacies	(2)	(2)
Grants	(38)	(96)
Merchandising	(32)	(88)
<b>Charitable activities</b>		
Combating poverty	(18)	(21)
Reducing isolation	(34)	(20)
Defeating ageism	(6)	(17)
Promoting quality in care	(56)	(22)
Preventing future deprivation	(1,917)	(1,412)
<b>Total resources expended</b>	<u>(2,382)</u>	<u>(1,853)</u>
<b>Net income for the year</b>	<u>(1,200)</u>	<u>(590)</u>
Transfers from Help the Aged	1,193	422
<b>Net movement in funds</b>	<u>(7)</u>	<u>(168)</u>
<b>Fund balances at 1 May</b>	<u>63</u>	<u>231</u>
<b>Fund balances at 30 April</b>	<u>56</u>	<u>63</u>

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.

	Help the Aged (Mail Order) Ltd	Help the Aged (Trading) Ltd	Total 2006 £'000	Total 2005 £'000
<b>Incoming resources</b>				
Sale of Bought in Goods	1,556	-	1,556	1,465
Merchandising and commission	97	2,530	2,627	3,753
Investment Income	66	73	139	118
Incoming resources from charitable activities	872	1,810	2,682	1,851
<b>Total incoming resources</b>	<b>2,591</b>	<b>4,413</b>	<b>7,004</b>	<b>7,187</b>
<b>Resources Expended</b>				
Cost of Selling Bought in Goods	1,208	-	1,208	1,180
Merchandising and commission	207	1,574	1,781	2,416
Charitable Activities	1,038	799	1,837	1,952
Governance	4	6	10	11
	<b>2,457</b>	<b>2,379</b>	<b>4,836</b>	<b>5,559</b>
<b>Other Resources Expended</b>				
Taxation	-	-	-	-
<b>Total Resources Expended</b>	<b>2,457</b>	<b>2,379</b>	<b>4,836</b>	<b>5,559</b>
<b>Net movement in funds</b>	<b>134</b>	<b>2,034</b>	<b>2,168</b>	<b>1,628</b>
Gift Aid Payable to Help the Aged	(134)	(2,034)	(2,168)	(1,698)
<b>Retained profit for the year</b>	-	-	-	(70)
Fund balances at 1 May	35	6	41	111
Fund balances at 30 April	35	6	41	41
<b>Total assets</b>	<b>2,155</b>	<b>2,898</b>	<b>5,053</b>	<b>4,405</b>
<b>Total liabilities</b>	<b>(2,052)</b>	<b>(2,882)</b>	<b>(4,934)</b>	<b>(4,286)</b>

### 5 Incoming resources from charitable activities

	Housing and care £'000	Community Transport £'000	Senior safety £'000	Centrica Partnership £'000	Sale of Aid Products £'000	Rent Receivable £'000	2006 Total £'000	2005 Total £'000
Combating poverty	-	-	-	402	-	-	402	127
Reducing isolation	-	1,564	1,612	-	-	-	3,176	2,366
Challenging neglect	205	-	-	158	-	-	363	365
Preventing future deprivation	-	-	-	158	872	-	1,030	1,661
International	-	-	-	-	-	181	181	165
	<b>205</b>	<b>1,564</b>	<b>1,612</b>	<b>718</b>	<b>872</b>	<b>181</b>	<b>5,152</b>	<b>4,684</b>

# Notes to the financial statements (continued)

## 6 Total Resources Expended

	Activities Undertaken Directly £'000	Grant Funding of Activities £'000	Support Costs £'000	2006 Total £'000	2005 Total £'000
<b>Cost of generating funds</b>					
Cost of generating voluntary income					
Fundraising	6,263	-	990	7,253	8,240
Legacies receivable	486	-	65	551	1,010
Grants receivable	186	-	60	246	331
Fundraising trading: costs of goods sold and other costs					
Cost of selling donated and bought in goods	25,830	-	1,118	26,948	27,510
Merchandising and commission costs	1,813	-	-	1,813	2,504
Events costs	609	-	135	744	965
Investment management costs	-	-	75	75	62
<b>Charitable Activities</b>					
Combating poverty	2,685	141	340	3,166	2,431
Reducing isolation	6,801	409	1,097	8,307	7,311
Defeating ageism	1,962	168	258	2,388	2,121
Challenging neglect	3,872	139	530	4,541	3,571
Preventing future deprivation	3,235	1,878	276	5,389	6,325
International	626	7,657	-	8,283	6,281
<b>Governance</b>	-	-	237	237	230
<b>Total resources expended</b>	<b>54,368</b>	<b>10,392</b>	<b>5,181</b>	<b>69,941</b>	<b>68,892</b>
Analysis of grants					
<b>UK grants</b>					Grants to Institutions £'000
Analysis					2,056
Research projects					451
Day centres, social clubs and initiatives					46
Gardening project					115
Senior mobility projects					67
Campaigning for and promoting older peoples rights and interest					2,735
<b>Total UK grants</b>					
<b>International grants</b>					Grants to Institutions £'000
Analysis					1,585
HelpAge International regional work					2,961
Refugees & disasters					2,294
Sponsor a Grandparent (formerly Adopt a Granny)					80
Mobile medical units					277
Information & advocacy					460
Support for HelpAge International					7,657
<b>Total international grants</b>					
<b>Total grants</b>					10,392

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

## Notes to the financial statements (continued)

### 7 Support Costs Allocation

	Directorate & Trustees £'000	Finance & Legal £'000	Office Management £'000	IT £'000	Human Resources £'000	Property £'000	Direct Support Costs £'000	2006 Total £'000	Restated 2005 Total £'000
Cost of generating funds									
<b>Cost of generating voluntary income</b>									
Fundraising	113	269	224	272	89	5	18	990	1,556
Legacies	9	19	12	19	6	-	-	65	177
Grants receivable	6	14	21	14	5	-	-	60	80
<b>Fundraising trading: costs of goods sold and other costs</b>									
Cost of selling donated and bought in goods	47	57	85	57	497	375	-	1,118	1,252
Events costs	14	32	47	32	10	-	-	135	328
Investment management costs	-	75	-	-	-	-	-	75	62
<b>Charitable Activities</b>									
Combating poverty	33	87	89	88	30	6	7	340	382
Reducing isolation	122	152	105	154	85	6	473	1,097	1,139
Defeating ageism	25	67	68	67	23	1	7	258	326
Challenging neglect	49	125	116	127	43	58	12	530	455
Preventing future deprivation	25	72	76	73	25	1	4	276	505
Governance	43	194	-	-	-	-	-	237	230
<b>Total support costs</b>	<b>486</b>	<b>1,163</b>	<b>843</b>	<b>903</b>	<b>813</b>	<b>452</b>	<b>521</b>	<b>5,181</b>	<b>6,492</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:

The central support costs are allocated as following:

- Directorate, estimated time spent on operational activities.
- Finance, actual expenditure on governance and remaining costs allocated according to the number of office based employees
- Legal, calculated time spent on governance and remaining costs allocated according to the number of office based employees
- Office Management, number of head office based employees.
- IT, 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:

	2006 £'000	2005 £'000
Internal Audit	112	98
External Audit	53	48
Trustees' Expenses	3	2
Trustees' Indemnity Insurance	17	17
Apportionment of Directors' costs (based on time spent)	23	31
Company Secretariat	29	34
	<b>237</b>	<b>230</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) (2005: £nil).

## Notes to the financial statements (continued)

### 9 Staff numbers and emoluments

	2006			2005		
	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	694	546	268	742	563	264
Other	398	106	53	384	96	48
	<b>1,092</b>	<b>652</b>	<b>321</b>	<b>1,126</b>	<b>659</b>	<b>312</b>

The aggregate emoluments of these persons were as follows:

	2006 £'000	2005 £'000
Salaries including benefits in kind	24,243	24,294
Social security costs	1,857	1,797
Pension contributions	1,136	1,213
	<b>27,236</b>	<b>27,304</b>

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

	2006 Number	2005 Number
£60,000 to £69,999	6	3
£70,000 to £79,999	1	1
£80,000 to £89,999	4	4
£90,000 to £99,999	1	1
£120,000 to £129,000	1	1

### 10 Trustees' emoluments and reimbursed expenses

The Trustees received no remuneration for their services.

The aggregated amount of expenses reimbursed to four Trustees during the year was £2,810 (2005: three Trustees, £1,749).

Indemnity insurance is provided for Trustees, Premiums paid during the year totalled £16,892 (2005: £17,426).

During the year ended 30 April 2006 the Charity awarded grants of £nil (2005: £18,060) for projects to which members of the Board of Trustees were connected.

During the year ended 30 April 2006 the Charity awarded grants of £309,530 (2005: £61,500) 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>	<u>£</u>
Professor David Kipling - (Cardiff University)	Professor Aled Phillips-"Hyaluronan: targeting impaired wound healing in the aged"	69,000
	Dr Justin Regini-"A structural investigation of age related protein degradation and its prevention"	69,000
Professor Stephen Jackson- (King's College, London)	Dr Michael Perkinson-"Do neutrophins regulate amyloid-beta precursor processing in neurones?"	72,000
Professor Malcolm Jackson- (University of Liverpool)	Dr Carl Sheridan-"Investigation of a new cell treatment for age-related macular degeneration"	50,000
Professor Tim Skerry- Sheffield University	Dr Oliver Bandmann-"A LRRK2 mutant zebra fish model of Parkinson's disease"	49,530
		<b>309,530</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 (2005: £10,000).

# Notes to the financial statements (continued)

## 11 Net movement in funds

	2006 £'000	2005 £'000
Net movement in funds is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,351	1,443
Profit on disposal of fixed assets	(902)	(652)
Auditors' remuneration:		
audit of charitable company	38	33
audit of subsidiaries	10	10
other	5	5
Operating lease rentals	6,470	6,502

## 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>Charity and group</b>						
<b>Cost or donated valuation</b>						
At 1 May 2005	2,094	6,468	8,018	3,679	893	21,152
Additions	-	-	-	560	84	644
Disposals	-	(331)	(22)	(876)	(366)	(1,595)
At 30 April 2006	2,094	6,137	7,996	3,363	611	20,201
<b>Depreciation</b>						
At 1 May 2005	(156)	(454)	(7,074)	(2,410)	(574)	(10,668)
Charge for the year	(25)	(98)	(366)	(704)	(158)	(1,351)
Eliminated on disposal	-	16	22	846	363	1,247
At 30 April 2006	(181)	(536)	(7,418)	(2,268)	(369)	(10,772)
<b>Net book value</b>						
At 30 April 2006	1,913	5,601	578	1,095	242	9,429
At 30 April 2005	1,938	6,014	944	1,269	319	10,484

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

	2006 £'000	2005 £'000
Freeholds	1,600	1,618
Long leaseholds	313	320
	<b>1,913</b>	<b>1,938</b>

## Notes to the financial statements (continued)

### 13 Investments

	Short-Term Deposits £'000	Listed Investments £'000	Endowed Funds £'000	Group £'000	Shares in Subsidiary undertaking £'000	Investments held by Subsidiary Undertakings £'000	Charity £'000
<b>Market Value</b>							
At 1 May 2005	2,002	10,364	1,550	13,916	77	-	13,993
Additions	9,000	12,788	-	21,788	-	(1,000)	20,788
Disposals	(8,000)	(8,787)	-	(16,787)	-	-	(16,787)
Movement in Cash	-	(18)	-	(18)	-	-	(18)
Net Investment Gain / (Loss)	-	3,210	277	3,487	-	-	3,487
<b>At 30th April 2006</b>	<b>3,002</b>	<b>17,557</b>	<b>1,827</b>	<b>22,386</b>	<b>77</b>	<b>(1,000)</b>	<b>21,463</b>
Historical Value At 30 April 2006	3,002	13,984	1,228	18,214	77	(1,000)	17,291

		2006 £'000	2005 £'000
<i>Listed Investments:-</i>			
Merrill Lynch	- Charishare Common Investment Fund - UK equities	8,765	5,172
Barclays Global Investors	- BGI North American Index Selection	2,753	-
	- BGI Japan Index Selection	2,388	-
	- BGI Europe Index Selection	2,507	-
	- BGI Pacific Rim Index Selection	1,125	-
	- Aquilla US Equity Income	-	1,760
	- Aquilla European Equity Income	-	1,634
	- Aquilla Japanese Equity Income	-	1,139
	- Aquilla Pacific Rim Equity Income	-	622
	- Undispersed cash in investment account	12	30
		<b>17,550</b>	<b>10,357</b>
Other		<b>7</b>	<b>7</b>
		<b>17,557</b>	<b>10,364</b>

	2006 £'000	2005 £'000
<i>Endowed Funds:-</i>		
The Charity of C E Saunders	842	710
Charity of Gillingham Endowed Fund	922	786
The Charity of Miss Edna Lipson	63	54
	<b>1,827</b>	<b>1,550</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. During the year ended 30<sup>th</sup> April 2005, Help the Aged's share of the loss incurred by the company was £10k, which is shown on the face of the Statement of Financial Activities.

## Notes to the financial statements (continued)

### 13 Investments (continued)

	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 two wholly owned subsidiary undertakings HtA Solutions Limited and HtA Services 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
HelpAge Limited	England and Wales	100%	2
HelpAge (UK) Limited	England and Wales	100%	8

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

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Other debtors	1,178	996	762	457
Social security and other taxes	425	317	425	317
Amounts due from subsidiary undertakings	-	30	2,262	1,727
Prepayments and accrued income	8,056	6,628	8,026	6,560
	<b>9,659</b>	<b>7,971</b>	<b>11,475</b>	<b>9,061</b>

The Charity has been notified of legacies amounting to £6.0 million (2005: £6.6 million) which have not been recognised as income at 30 April 2006 and these will be included in future periods.

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

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertakings	-	-	1,712	1,749

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

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Short term grants	3,515	2,887	3,515	2,887
Interest free loans from housing residents repayable on change of occupancy	9	60	9	60
Other creditors	7,221	5,908	6,577	5,397
Amount due to subsidiary undertaking	-	-	129	-
Accrued expenses	1,626	2,594	1,313	2,265
Deferred income	572	255	572	255
	<b>12,943</b>	<b>11,704</b>	<b>12,115</b>	<b>10,864</b>

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.

## Notes to the financial statements (continued)

### 16 Creditors: amounts falling due within one year (continued)

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
<b>Movement in deferred income</b>				
Balance brought forward	255	142	255	142
Utilised in year	(255)	(142)	(255)	(142)
Increase in provision charged to Statement of Financial Activities	572	255	572	255
<b>Balance carried forward</b>	<b>572</b>	<b>255</b>	<b>572</b>	<b>255</b>

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

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Long term grants	1,846	1,936	1,846	1,936
Interest free loans from housing residents repayable on change of occupancy	100	67	100	67
Operating Lease Incentives	89	109	89	109
	<b>2,035</b>	<b>2,112</b>	<b>2,035</b>	<b>2,112</b>

### 18 Provision for liabilities and charges

	Group		Charity	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
<b>Care provision</b>				
Balance brought forward	5,790	5,270	5,790	5,270
Utilised in year	(2,527)	(939)	(2,527)	(939)
Increase in provision charged to Statement of Financial Activities	2,185	1,459	2,185	1,459
<b>Balance carried forward</b>	<b>5,448</b>	<b>5,790</b>	<b>5,448</b>	<b>5,790</b>



# Notes to the financial statements (continued)

## 19 Group statement of funds

	Balance 30 April 2005 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Gains and losses £'000	Balance 30 April 2006 £'000
<b>Endowed funds</b>						
The Charity of C E Saunders	710	-	-	-	132	842
The Gillingham Endowed Fund	786	-	-	-	136	922
The Charity of Miss Edna Lipson	54	-	-	-	9	63
	<b>1,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277</b>	<b>1,827</b>
<b>Restricted funds</b>						
<b>United Kingdom aid programmes</b>						
Research Into Ageing (Note 3)	63	1,182	(1,189)	-	-	56
Day centres	50	186	(52)	-	-	184
Community transport	132	1,648	(1,565)	-	-	215
Housing and care projects	322	307	-	-	-	629
SeniorLink telephones	482	66	(172)	-	-	376
Community projects	3,064	5,645	(5,207)	-	-	3,502
Home safety	1,266	947	(1,063)	-	-	1,150
Other projects	255	740	(856)	-	-	139
<b>Total UK aid programmes</b>	<b>5,634</b>	<b>10,721</b>	<b>(10,104)</b>	<b>-</b>	<b>-</b>	<b>6,251</b>
<b>International aid programmes</b>						
Refugees and disasters	3,490	3,369	(2,961)	-	-	3,898
Gifts in kind	-	347	(347)	-	-	-
Sponsor a Grandparent	(2,090)	2,561	(2,765)	-	-	(2,294)
Other projects	(1,710)	1,634	(1,714)	-	-	(1,790)
<b>Total international aid programmes</b>	<b>(310)</b>	<b>7,911</b>	<b>(7,787)</b>	<b>-</b>	<b>-</b>	<b>(186)</b>
<b>Total restricted funds</b>	<b>6,874</b>	<b>18,632</b>	<b>(17,891)</b>	<b>-</b>	<b>277</b>	<b>7,892</b>
<b>Designated funds</b>						
Designated fund - maintenance	316	-	(45)	47	-	318
Designated fund - works reserve	396	-	(20)	100	-	476
Designated fund - development	998	-	(547)	1,246	-	1,697
Designated fund - Pension Fund	734	-	(735)	735	-	734
	<b>2,444</b>	<b>-</b>	<b>(1,347)</b>	<b>2,128</b>	<b>-</b>	<b>3,225</b>
<b>General reserves</b>						
Revaluation reserve	2,518	-	-	1,654	-	4,172
Other general reserves	8,820	48,276	(44,417)	(3,782)	3,210	12,107
	<b>11,338</b>	<b>48,276</b>	<b>(44,417)</b>	<b>(2,128)</b>	<b>3,210</b>	<b>16,279</b>
Pension reserve	(6,164)	-	718	-	1,322	(4,124)
Non-charitable trading funds	41	7,004	(7,004)	-	-	41
<b>Total unrestricted funds</b>	<b>7,659</b>	<b>55,280</b>	<b>(52,050)</b>	<b>-</b>	<b>4,532</b>	<b>15,421</b>
<b>Total funds</b>	<b>14,533</b>	<b>73,912</b>	<b>(69,941)</b>	<b>-</b>	<b>4,809</b>	<b>23,313</b>

Incoming resources of the charity during the year were £66,908k. Resources expended by the charity during the year were £62,937k.

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

Organisation	Project	Grant £	Organisation	Project	Grant £
Department of Health Section 64	Carers Buddy	35,040	Community Fund/Big Lottery Fund	Into the Future*	62,903
Office of the Deputy Prime Minister	Neighbourhood Wardens	45,164	Community Fund/Big Lottery Fund	SeniorLink Hospice Homecare	2,189
Department of Health Section 64	Minority Ethnic Elders Falls Prevention	31,250	Rufford Maurice Laing Foundation	Nottinghamshire SeniorLink	20,000
Department for Work and Pensions	Hartlepool Benefits Advice	46,400	Lloyds TSB Foundation	Durham HandyVan	10,000
Department of Health Change Up Programme	Timebanks UK	170,000	Dulverton Trust	Gardening Programme	10,000
The Welsh Assembly	Welsh SUFOA Co-ordinator	27,000	Kreitman Foundation	Mobile Medicare Units	20,000
Community Fund/Big Lottery Fund	Sunshine Project	15,774	Eveson Charitable Trust	Birmingham HandyVan	10,000
Community Fund/Big Lottery Fund	Research on Age Discrimination	140,364	Balance Charitable Foundation	Peer Speaking Initiative	20,000
Community Fund/Big Lottery Fund	Rural Initiative	23,540	British Geriatrics Society	Falls Prevention	37,500
Community Fund/Big Lottery Fund	Manchester Pakistani Resource Centre	17,940	J F Ackroyd Charitable Trust	Wound Healing	5,000
The Lady Joseph Foundation	SeniorLink Home from Hospital - Dorset	5,000	Roger de Haan Charitable Trust	Disconnected Mind	35,688
Jane Hodge Foundation	Cardiff HandyVan	6,000	Peter de Haan Charitable Trust	Disconnected Mind	35,688
Allan & Nesta Ferguson Charitable Settlement	Mobile Medicare Units	21,000			

\* Includes £5k of income from 04/05 that was understated in the disclosures within note 19. The total income raised from this project since its inception is £173,181.

The grant commitment to international aid programmes for 2006/7 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.

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 Peareth 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 2006 are represented by:</b>			
Tangible fixed assets	9,429	-	9,429
Investments	20,559	1,827	22,386
Current assets	9,983	6,065	16,048
Current liabilities	(12,943)	-	(12,943)
Long term liabilities	(7,483)	-	(7,483)
Defined Benefit Pension Liability	(4,124)	-	(4,124)
<b>Total net assets</b>	<b>15,421</b>	<b>7,892</b>	<b>23,313</b>

### 21 Net cash inflow from operating activities

	2006 £'000	2005 £'000
<b>Reconciliation of net income before joint venture for the year to net cash inflow from operating activities:</b>		
Net income for the year before joint venture	3,971	5,553
Depreciation and amortisation	1,351	1,443
Profit on sale of tangible fixed assets	(902)	(652)
(Increase)/decrease in stocks	(3)	227
(Increase) in debtors	(1,688)	(3,778)
Increase/(decrease) in creditors	1,180	(223)
(Decrease)/increase in pension liability	(718)	272
(Decrease)/increase in provisions	(342)	145
Investment income	(928)	(788)
	<b>1,921</b>	<b>2,199</b>

### Reconciliation of net cash (outflow) / inflow to movement in net funds

	2006 £'000	2005 £'000
(Decrease) / increase in cash in the year	(1,546)	1,073
Increase in liquid resources	18	39
Net funds at 1 May	7,582	6,470
<b>Net funds at 30 April</b>	<b>6,054</b>	<b>7,582</b>

### 22 Analysis of net funds

	At 1 May 2005 £'000	Cashflow £'000	At 30 April 2006 £'000
Cash at bank and in hand	7,709	(1,546)	6,163
Interest free loans	(127)	18	(109)
	<b>7,582</b>	<b>(1,528)</b>	<b>6,054</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 £998,694 (2005: £1,069,328).

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 £ 137,521 (2005: £136,780).

The annual actuarial valuation described above has been updated at 30 April 2006 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:

	2006	2005	2004	2003	2002
	%pa	%pa	%pa	%pa	%pa
Inflation	2.5	2.5	2.5	2.5	2.5
Rate of increase in salaries	4.0	4.0	4.0	4.0	4.5
Rate of increase for pensions in payment and deferred pensions					
Pre 6 April 2005 service	2.5	2.5	2.5	2.5	2.5
Post 5 April 2005 service	2.25	-	-	-	-
Discount rate	5.1	5.4	5.4	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:

	2006		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	Fair value	Expected rate of return
	£'000	% pa	£'000	% pa	£'000	% pa	£'000	% pa	£'000	% pa
Equities	22,333	8.00	18,280	8.00	16,876	8.00	13,278	8.80	14,652	7.90
Bonds	11,343	4.40	7,414	5.00	5,364	5.00	4,670	4.60	3,964	5.50
Cash	473	4.50	347	4.25	783	4.00	806	3.75	817	4.00
<b>Total fair value of assets</b>	<b>34,149</b>	<b>6.76</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	38,273		32,205		28,161		26,318		21,785	
<b>Liability in the scheme</b>	<b>(4,124)</b>		<b>(6,164)</b>		<b>(5,138)</b>		<b>(7,564)</b>		<b>(2,352)</b>	

	2006	2005
	£'000	£'000
<b>Analysis of the amount charged to net income</b>		
Current Service Cost	1,159	1,522
Total operating charge	1,159	1,522

	2006	2005
	£'000	£'000
<b>Analysis of the amount credited to net income</b>		
Expected return on assets	1,906	1,689
Interest on pension scheme liabilities	(1,786)	(1,617)
Other finance income credited to that Statement of Financial Activity	120	72

## Notes to the financial statements (continued)

### 23 Pension costs (continued)

	2006 £'000	2005 £'000
<u>Movement of deficit during the year</u>		
Deficit in scheme at beginning of year	(6,164)	(5,138)
Current service cost	(1,159)	(1,522)
Contributions	1,757	1,178
Other finance income	120	72
Actuarial gain / (loss)	1,322	(754)
	<b>(4,124)</b>	<b>(6,164)</b>

	2006 £'000	2005 £'000
<u>Analysis of the actuarial gain / (loss) recognised in the consolidated statement of financial activities</u>		
Actual return less expected return on pension scheme assets	4,559	227
Experience gains and losses arising on the scheme liabilities	171	257
Changes in assumptions underlying the present value of the scheme liabilities	(3,408)	(1,238)
Total actuarial gain/(loss) recognised in the consolidated statement of financial activities	<b>1,322</b>	<b>(754)</b>

	2006 £'000	2005 £'000	2004 £'000	2003 £'000
<u>History of gains and losses</u>				
Actual return less expected return on pension scheme assets				
- Amount	£4,559	£227	£1,933	£(4,069)
- % of scheme assets	13.4%	0.9%	8.4%	(21.7%)
Experience gains and losses arising on the scheme liabilities				
- Amount	£171	£257	£689	£(683)
- % of the present value of the schemes liabilities	40.0%	0.8%	2.4%	(2.6%)
Total actuarial gain / (loss) recognised in the consolidated statement of financial activities				
- Amount	£1,322	£(754)	£2,625	£(4,857)
- % of scheme assets / (liabilities)	3.5%	(2.3%)	9.3%	(18.5%)

Information for 2002 unavailable

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 2006 were:

	Active employees	Deferred pensioners	Pensioners
Help the Aged	327	694	151
HelpAge International	18	52	4
	<b>345</b>	<b>746</b>	<b>155</b>

(The percentage of HAI employees and pensioners is 5.94% of the pension fund, which equates to £245k of the pension deficit. This is considered 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:

	2006	2005
	£'000	£'000
Within one year	74	143
One to five years	781	888
After five years	5,888	5,529
	<b>6,743</b>	<b>6,560</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 £4,179 (2005: £7,657) to The Prime Initiative under the guarantee. Help the Aged has paid £20,335 to The Prime Initiative under the guarantee from 2001 to date. The liability on the guarantee at 30 April 2005 was zero (2005: zero).

## Trustees and advisers

### Registered office

207–221 Pentonville Road  
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### 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

### Board of Trustees

Dr Beverly Castleton<sup>1</sup>

Harry Cathcart<sup>1</sup>

Anna Coote (resigned 8 May 2006)

Dr June Crown CBE

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

David Glencross (appointed 30 November 2005)

Professor Leslie Iversen FRS (resigned 26 January 2006)

Professor Oliver James

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

Rosemary Kelly<sup>6</sup>

Trevor Larman (resigned 20 September 2005)

Janet Lord (appointed 30 November 2005)

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

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

Tony Rice (appointed 30 November 2005)

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

Len Sanderson

Professor John Williams (appointed 30 November 2005)

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

Gillian Wilmot (resigned 20 October 2005)

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

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

### Director General

Michael Lake CBE

### Director of Fundraising & Marketing

Amanda Ball

### Director of Policy, Research & International Development

Paul Cann

### Director of Commercial Services

Anne Grahamslaw

### Director of Communications & Marketing

Steve Jones

### Director of Human Resources

Abi Lauder

### Director of Community Services

Daniel Pearson

### Director of Retail Operations

Howard Stirrup

### Director of Finance

Lech Zwierzynski

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

### President

HRH The Duchess of Gloucester GCVO

### Auditors

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Hill House  
1 Little New Street  
London  
EC4A 3TR

### Solicitors

Wedlake Bell  
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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, Jo Connell, Barry Keates and Michael Roberts retire by rotation and, being eligible, offer themselves for re-election at the AGM. In accordance with the memorandum and articles, David Glencross, Janet Lord, Tony Rice, and Professor John Williams (appointed during the year), retire and being eligible, offer themselves for re-election.

The Charity would like to record its thanks to Anna Coote, who retired as a Trustee on 8 May 2006 after six years of service to the Charity, to Professor Leslie Iversen FRS who retired as a Trustee on 26 January 2006 after five years of service to the Charity, to Gillian Wilmot, who retired on 20 October 2005 after two years of service to the Charity, and to Trevor Larman, who retired 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.

<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

## Corporate partners, funders and supporters

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

### Major corporate partners

Barclays Plc  
British Gas  
Zurich Financial Services (UKISA) Community Trust Ltd

### Corporate relationships

Abbey  
Accutec UK  
Alliance & Leicester  
AstraZeneca plc  
BBC Television  
Bhs  
Bloomberg  
Boots Opticians  
BT  
BT NI  
BUPA  
Chalmers Communications  
Cheapside Carriages  
Ciber-UK  
Clifford Chance  
Co-operative Funeralcare  
Coca-cola  
cScape Strategic Internet Services Ltd  
D&A The Opticians  
David McLean Group  
David Nieper Ltd  
Diageo  
DSG International plc  
Dunbar Bank  
Ethnic Media Group  
Foresters Friendly Society  
GlaxoSmithKline  
Golden Charter  
GKN plc  
Grain Health Foods (UK) Ltd  
Grigo-McMahon Ltd  
Guardian Newspapers Ltd  
HBOS  
HM Revenue and Customs  
HSBC  
ICAP plc  
John Guest Ltd  
John Lewis Partnership Plc  
Johnsons Coffee  
Krispy Crème  
Land Securities  
Leeds Building Society  
Legal & General Assurance Society Ltd  
Linklaters  
Lloyd's Charities Trust, Lloyd's of London  
Lloyds Pharmacies  
Magic Taxi  
Masterfoods  
MBP  
McCarthy & Stone  
Meadowhall Leisure Shopping  
The Met. Office  
Midlands Co-op  
Mirror Group  
NIE  
NM Rothschild & Sons Ltd  
Northern Bank Ltd  
Northern Rock  
Novartis Pharmaceuticals UK  
The Orr Macintosh Foundation  
The Outside Clinic  
Pfizer Ltd  
Prudential  
Reebok UK  
Saga Group Ltd

Servier  
Specsavers Opticians  
Star Cargo plc  
Swiss Re Life and Health Ltd  
Unilever Plc  
Vodafone UK Foundation  
West Bromwich Building Society  
WineFlair  
Woodside Haulage  
Woolworths  
Yorkshire Bank  
Yule Catto & Co Plc

### Funders

Adecco  
Advice NI  
The Albert Hunt Trust  
Arborfield Fete Committee, Berkshire  
Atlantic Philanthropists  
Austin & Hope Pilkington Charitable Trust  
Bay Tree Charitable Trust  
Berkshire Community Foundation  
The Big Lottery Fund (restricted funds)  
The Big Lottery Fund Northern Ireland  
The Big Lottery Cymru  
Birchington Parish Council  
Blaenau Gwent Country Borough Council  
Bridgend Country 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 District Council  
Community Safety Unit (Northern Ireland Office)  
Conwy County Council  
David McLean Group  
Denbighshire County Council  
Department for Communities and Local Government – Special Grants Programme  
Department for Work and Pensions  
Department of Health and Social Services and Public Safety (DHSSPS NI)  
Department of Health Change Up Funding  
Department of Health Section 64  
Department of Social Development  
Department of Social Development (DSD NI)  
Dick and Mary Sanders Memorial Fund  
Energy Savings Trust  
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  
John Atcheson Foundation  
Kent County Council  
Kent Fire & Rescue Service  
The Lennox and Wyfold Foundation  
Lloyds TSB Foundation for England and Wales  
London Borough of Hackney  
London Borough of Haringey  
London Borough of Lambeth  
London Borough of Redbridge  
London Fire Brigade (LFPEA)  
Monmouthshire County Council  
Nuffield Foundation

Rosetrees Trust  
Royal Berkshire Fire & Rescue Service  
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 Constance Travis Charitable Trust  
The Department of Health  
The Dulverton Trust  
The Dunhill Medical Trust  
The Emmamandjay 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  
Paradigm Housing Association  
Percy Bilton Charity  
The Rufford Maurice Laing Foundation  
Sir Hailey Stewart Trust  
Southend Fund  
The Stobart Newlands Charitable Trust  
Torrington Volunteer Services  
Welsh Assembly Government (Strategy for Older People)  
West Berkshire Safer Communities Partnership  
Wokingham Safer Communities Campaign  
W T J Griffin Charitable Settlement  
Wycombe District Council  
Wycombe PCT  
Wycombe Round Table

### 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 Lindsey  
Age Concern Northern Ireland  
Age Concern Nottingham & Nottinghamshire  
Age Concern Preston & South Ribble  
Age Sector Reference Group  
Alzheimer's Society  
Anchor Housing Trust  
Annandale & Eskdale Council for Voluntary Services  
Ards Community Safety Partnership

## Corporate partners, funders and supporters

Attendo Monitoring Ltd	Professor Siobhan McClelland	Walsall Housing Regeneration Agency
Attendo Response Ltd	Medicash Health Benefits Limited	Watford & Herts against Crime
Avis Rent-a-Car Ltd	'Meet the Mouse' Cymru	Welsh Assembly Government
BASE Cymru	Merthyr Tydfil County Borough Council	(Strategy for Older People in Wales)
Beth Johnson Foundation	Monmouthshire County Council	West View Advice and Resource
Better Government for Older People	National Mentoring Network	Centre
Better Government for Older People Cymru	National Partnership Forum for Older People	Will Aid
Better Government for Older People Older People's	in Wales	Winsford House Care Home
Advisory Group Eastern Region	National Pensioners' Convention	Woking Homelink
Bournemouth Council	NEA	<i>Woman's Weekly</i>
Brent Admiral Nurse Scheme	Neath Port Talbot County Borough Council	Woman's Aid
British Red Cross	Newport County Borough Council	Workers Educational Association
Broadway	Newry & Mourne HSS Trust	Wrexham County Borough Council
Business in the Community	NHFA Ltd	WRVS
Caia Park Partnership	NICVA	Yours magazine
Car Care Plan Limited	NI Housing Executive	Zurich Financial Services
Cardiff Pinnacle plc	Nortel Networks	
Care & Repair England	Northbrook Technology	
Care & Repair NW Leicestershire	North East Lincolnshire Council	
Care Standards Inspectorate for Wales	North & West HSS Trust	
Carlisle & Eden Crime & Disorder Partnership	Northern Bank	
The Carnegie United Kingdom Trust	Northern Health & Social Services Board	
The Charity Commission in Wales	Northern Ireland Courts Service	
Citizens Advice Bureau	Northern Ireland Human Rights Commission	
Coalition on Charging Cymru	Northern Ireland Libraries	
Community Safety Unit (Dungannon & South Tyrone)	Nubian Life Resource Centre	
Co-operative Bank plc	NvTv	
Counsel & Care	Office of the First Minister and Deputy First	
Craigavon & Banbridge Health & Social Services Trust	Minister (NI)	
Cumber Claudy Primary School	Older people's independent forums across	
Daily Express	England, Northern Ireland and Wales	
Diabetes UK	Older People's Programme	
DISC (Durham Initiative for Support in the Community)	Oxford Institute of Ageing	
EAGA	Page & Moy Limited	
Eastern Health & Social Services Board	Pakistan Resource Centre (PRC)	
Elder Abuse Alliance	Jenny Pannell	
Elder Care	Pembrokeshire County Council	
Elderly Accommodation Counsel	The Pension Service	
Energywatch	Perth & Kinross Constabulary	
Engage with Age	Powys County Council	
Foresters Friendly Society	Prime Focus	
General Consumer Council of Northern Ireland	Providence Row	
Glengormley High School	PSNI	
Glenravel Community Association	PSNI – Independent Advisory Group for Older	
Golden Charter Ltd	People	
Goodwin Trust	Queens' University Belfast	
Granton Information Centre	Rasharkin Community Association	
Guinness Trust – Tendering Home Improvement	RBS Insurance	
Agency	Rhondda Cynon Taff County Borough Council	
Hairnet	Royal British Legion	
Hampshire Trading Standards	Royal College of Nursing	
Hanover Housing Association	Royal Pigeon Racing Association	
Health Promotions Agency	Safer Communities Partnership Grimsby	
HelpAge International	Shelter	
Hinkley and Burbage Age Concern	Social Security Agency	
HM Prison Bullingdon	South & East HSS Trust	
Holiday Extras Limited	South West Seniors Network	
Homefirst HSS Trust	St Mungo's	
Homeless Link	<i>Sunday Express</i>	
Housing Association Charitable Trust (hact)	Swansea, City and County	
Housing Corporation	Thamesreach Bondway	
IANet	Time Banks UK	
Joshua Agency	Torfaen County Borough Council	
The Law Centre	Torridge Voluntary Services	
Lincolnshire PALS	Translink	
Lindsay Cars, Ballymena	Ty Staff	
London General Insurance Company Ltd	UKI Partnerships	
The Macular Disease Society	UNAT Direct Insurance Management Ltd	
Magherafelt Council	Vale of Glamorgan Council	
Maitland House Care Home	Victim Support NI	
Manor Residents' Association	Victim Support Southwark	
Manchester Advice	Victim Support Wandsworth	
Manchester Refugee Support Network	Voluntary Service Bureau	
Moyle Primary School	Walbrook Care & Repair	



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