

Help the Aged

Financial statements for the year ended 30 April 2003
together with Directors' and auditors' reports

Registered company number: 1263446

Registered charity number: 272786



Voices that are heard

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Our vision and values

Our vision is of a world where older people can lead lives that are valued, involved and fulfilled. We believe this is their fundamental right.

Older people must be:

- valued for their experience and skills and the contribution they can make to our society;
- involved in shaping their local environments, planning the services they need and participating in their communities; and
- fulfilled in their needs, hopes and aspirations.

The focus of our annual report this year is on the older people we listen to, learn from and work with to try to achieve that vision. Together, we are:

- combating poverty – making sure older people have enough income to live on, not just survive;
- reducing isolation – enabling older people to take an active part in their communities;
- defeating ageism – getting a fair deal for older people in all areas of life; and
- promoting quality in care – making sure older people get the quality care they need, when and where they need it, and at the right price.

The older people whose stories are featured in this report have received support from Help the Aged through the Citizens' Action Millennium Awards or the Charity's rural programme to set up and run projects of their own devising. Their work benefits the community in many different ways and illustrates the tremendous impact active older people can and do have on the world around them. Together, they represent the tip of a huge iceberg of activity, service, commitment and campaigning.

What all these people have in common is a passion for what they do. This is our way of saying thank you to them and all the older people we work with who, through their experience, energy and generosity, help to make Help the Aged such a vibrant and effective force for change.

Chairman's report

I am pleased to present this Annual report and accounts for 2002/3 on behalf of the Trustees of Help the Aged.

As a group, the Trustees bring a wide scope of experience to our responsibilities for governing the Charity. We are continually reviewing its direction, impact and well-being from our different perspectives and ensuring that at both the general and the detailed level, progress is being made and all is in good order. In my judgement, the Trustees have fulfilled their responsibilities, both individually and collectively, in a most effective manner during the year while providing the atmosphere for the executive to manage with energy and creativity.

The report provides ample evidence of a successful year. We have continued the steady increase in the quality and range of our work and supplied practical outputs with improvements in both professionalism and efficiency. I am pleased particularly with the growth of our Community Services division and with the strong links that have been established with local community groups. This contact, together with the findings of our social and biomedical research and the views of our donors, provides the mandate for the Charity and the basis for our credibility.

The Trustees routinely review the role of Help the Aged with an eye on compatibility and overlap with other charities and public services to ensure that duplication is avoided. We strongly encourage collaboration and, where possible, formal partnerships and mergers. In the last year, Help the Aged has negotiated and successfully implemented such arrangements with Research into Ageing, Friends of the Elderly and the Third Age Employment Network, with real benefits to efficiency and effectiveness.

In the latter part of last year, signs emerged of economic circumstances that will combine to make 2003/4 a difficult year for charities, our individual donors, commercial concerns and for government. We will depend more than ever on the warm generosity of the public and on the vision of corporate donors with a sense of social responsibility. It will be a hard ride but I believe the Charity is well placed to raise the money to do what needs to be done.

And much remains to be done. It is unacceptable that many older people, often in high concentrations as revealed by our recently published Income Index for older people, exist at the poverty level in loneliness and ill health. The Trustees of Help the Aged are passionately committed to bringing this situation to public attention and to taking practical steps to bring about change.

Director General's report

Our annual report for 2002/3 reflects changes of direction for Help the Aged that have been carefully planned and managed over the last two years.

This adjustment has involved taking a considered decision to transfer our residential homes to a partner organisation formed by Hanover Housing Association and Friends of the Elderly. This has freed up resources and enabled us to play a significant role in supporting communities and individuals. The transfer has included residents' views at every stage and has been completed with remarkable calmness and skill.

The new Community Services initiative is organised to work with communities and authorities to put matters of concern to older people on the agenda and to influence local decisions. The benefits of this policy are amply illustrated in the stories in this report.

Help the Aged is also changing the emphasis placed on research. Our social research, in partnership with universities, notably the Oxford Institute of Ageing, helps to steer policy and bring authority to our campaigns. Similarly, biomedical research, funded through a dedicated Trust, is identifying the preventative measures that will prolong healthy and active life.

In the context of devolution within the British Isles, the Charity has developed a distinct profile in Scotland, Wales and Northern Ireland and in the increasingly decentralised regions of England. Undoubtedly, this trend will continue but I believe it is vitally important that a shared ethic and financial mutuality are maintained.

Help the Aged began as an international disaster relief charity and our involvement remains global. The perspective this brings is important as peoples become increasingly interdependent and problems and solutions are shared. Our recent initiatives in this context focus on ways of bringing indigenous organisations and individuals to self-sufficiency rather than dependency.

This philosophy also shapes our work at home. Society is becoming ever more reliant on charities to deliver welfare. Government shows every sign of encouraging this trend, which will result in sharper distinctions between not-for-profit service providers and charities like Help the Aged working to stimulate prevention and change. A conscious decision has been taken to stick with this agenda and our immediate priorities are to campaign vigorously to secure adequate and reliable pension, and for good quality and sufficient health and social care.

The Charity has two mutually supporting objectives. First, to create an environment where older people are confident and engaged with the advantages of financial, health and emotional security. Second, to bring the experience of older people to the forefront in changing the legislation that impacts on their lives.

There are many older people in the world and there will be millions more. Many enjoy their lives to the full and contribute extensively to society. But a great number live in poverty and ill health, isolated and denied a fair deal. Help the Aged is dedicated to changing these circumstances for the better, now and for the future. You can help us with your time and your generosity.

Case studies

Bill Steele, 72 – family learning IT project, Wandsworth, London

'The children on the estate have made friends and by their sheer creativity they insist, without saying a word, that their parents become friends too. So I thought we should work with the children. I found a great teacher and now we're running an outreach IT project for families learning together. One woman brings her three children along. While she is learning job skills, her five-year-old just goes with his creativity. Grandparents are learning there too.'

Family learning is the catalyst. It provides the substance for bringing the community of different cultures together. Now housing consultants want to pick up the project and build a community centre – seismic ripples!

Ishiguro said: "We are all artists of the floating world." I like to think that's what I'm doing. The project is my brush; people's lives are the canvas. I am inviting them to put the colours on the canvas.'

Joan McMurray, 66; Anne Lloyd, 59; Nancy Kinloch, 62 – kayaking club, Argyll and Bute, Scotland

'Quite a few people thought we were too old for kayaking but age is an attitude of mind. It can be what you want it to be. Now, other older people around here are getting interested. They see us doing it and believe they can do it too – it gives them permission. It's therapeutic, it's a great social activity and it's great exercise, good for balance and for keeping osteoporosis at bay. The award will buy us a double kayak so that we can take other people out.'

Christine Knapp, 75 – Esk Moors Action for the Elderly, North Yorkshire National Park

'We thought it was a great pity that when our older people got frail, they had to leave the area to get help. We are so deprived of services in this remote moorland country. It's been a mountain to climb but we now have planning permission to build a day centre and residential units on a brownfield site within the Park. That way older people who need support will still feel a part of the community. Help the Aged gave us grants to do research and that told us that about 90 per cent of local people supported what we were trying to do. Early on it all seemed so difficult but Help the Aged had confidence in us and that sort of faith is infectious.'

John Lynch, 68 – IT taster sessions, Coatbridge, Scotland

'I'd started a website to help get people campaigning together for a better pension. But it became obvious early on that not many pensioners were using the Internet. The award has enabled me to take a laptop into people's homes, give them a few taster sessions so that they can get over their fear of the technology. Everybody who has learned to use a computer in later years has found that it has enriched their life enormously – they can work from home, stay in touch with family overseas and other things that they would not have dreamed of.'

Maureen Plews, 66 – cancer awareness, Shropshire and Wales

'I was working as a nurse and I was ashamed that people were dying for lack of the right information about cancer. So I put a programme of talks together to raise awareness. People, particularly older people, are still burying their heads in the sand but the risk increases the older we get. The award enabled me to replace worn out equipment like a prosthetic breast and a portable televideo. I know it's made a difference to a lot of people – like women who started checking themselves even as late as 65 and found a lump but it's been caught in time.'

Maureen Doyle, 59 – introducing sign language, Southport, Merseyside

'There was nothing around here for people who wanted to learn sign language so I set up evening classes in deaf awareness and basics like finger spelling and numbers. I teach everyone from my two-year-old granddaughter to a 90-year-old lady. I'm also giving workshops for emergency and health service workers. It's running riot now – there are loads of people involved. Businesses, schools, supermarkets are all asking for training. I can't take it all on so I tell people to come to my classes to learn and then go off and teach other people themselves.'

Jean Wormwell, 77 – Pensioners' Action Group East Riding (PAGER)

'We've had great problems here with transport and healthcare. We managed to stop the closure of the surgical ward in the local hospital and to get a bus route that older people relied on reinstated. People recognise that we will not go away but we need to keep being heard. Help the Aged gave us a grant to set up an advocacy project. We can sit and listen to people; help them fill in forms for benefits; advise them about claiming and generally give them confidence.'

Highlights of the year

Stronger voices

Four hundred delegates shared their ideas and experience at five Speaking Up for Our Age conferences, strengthening the links between older people's forums across the UK. Many hundreds more attended our fundraising and media training – all the better to get their message across loud and clear.

Legal protection

We have been at the forefront of the campaign for anti age discrimination legislation to ensure it is enforced and covers all areas of life, not just employment, and for a single equality body with teeth.

Out of poverty

We launched a powerful new campaign calling on the Government to 'Stop pensioner poverty now'. Through hard-hitting research publications and campaigning with our partners, we make the case for adequate pensions and the need to increase benefit take-up.

Nationwide influence

As part of Age Alliance Wales, we helped to inform the Welsh Assembly's national strategy for older people – the first of its kind in the UK. We are working through Speaking Up for Our Age to make sure that older people's forums are fully involved in its implementation.

Quality of life

In our fight to improve older people's quality of life, we published groundbreaking research on understanding and tackling crime and fear of crime through SeniorSafety seminars and our new research and information magazine, *Age Today*.

Support overseas

We continued our disaster support work in southern Africa as well building relationships with other overseas organisations to tackle poverty, HIV/Aids and human rights issues across the world.

Independence in care

With our partners in Scotland, we petitioned the national parliament to increase and protect Personal Allowances for older people in residential care.

More understanding

Our intergenerational work, bringing school students and older people together, is helping to build communities and reduce fear of crime.

The right response

Our new regional structure is in place, making us closer to older people and better able to understand their views and respond to their needs, particularly in rural areas – with services, grants and help in setting up forums and other action groups.

Warmth and safety

Our HandyVan, SeniorLink and SeniorLine services have been working with our corporate partners, British Gas, on their three-year £150 million programme – here to HELP. It aims to make 500,000 homes in some of Britain's most deprived communities warm, safe and comfortable.

Sound advice

We responded to older people's need for a range of information and advice by distributing 2.84 million leaflets on everything from money matters to foot care and by answering 94,000 SeniorLine enquiries.

Help at hand

Through our network of shops, we distributed £137,023 of grants to local groups providing support for older people.

Healthy ageing

Funded by our special Trust, Research into Ageing, Dr Duncan Baird at the University of Wales College of Medicine has made a major breakthrough in increasing our understanding of both health in old age and cancer.

Social mobility

More and more older people are getting out and about with the help of our minibuses and other specially adapted vehicles – another 115 presented to community groups across the country this year.

New services

In Northern Ireland, many older people benefit from our innovative dynamic approach in technology training, age equality campaigning and improving personal incomes.

Combating poverty

We are working to:

- increase the state pension;
- enable older people to claim the benefits due to them;
- prevent older people getting ill and dying from cold in winter; and
- extend our support to the poorest older people around the world.

In spring of 2003, we launched one of our most important campaigns to date – ‘Stop pensioner poverty now’. It calls on the Government to pledge to end the scandalous situation of over two million pensioners living in poverty in the UK and of the many more older people being pushed to the margins of daily life.

There are a number of strands to the campaign. We set out the case for reform to secure a decent income for today's and tomorrow's pensioners in our publication *A future we can trust? Pensions or pin money*. In it, we press the Government to increase the basic state pension and reduce means-testing, and to set up a sustainable long-term pension system with an independent pensions authority.

The campaign has been based on and supported by authoritative research. With Oxford University, we produced a pioneering new tool called the Help the Aged Income Index, which maps disadvantage among the older population, ward by ward across England and Wales, providing an essential way of targeting resources.

*'Help the Aged gave us a grant to set up an advocacy project.
We can advise people about claiming their benefits,
helping them to fill in forms, giving them confidence.'*

Jean Wormwell, Pensioners' Action Group East Riding

With Kings College London, we have been researching the experiences and views of older people living at risk of the cold, looking for solutions to ‘fuel poverty’. And with Keele University, we published damning evidence of the extent of social exclusion in later life. This research has been used to lobby key government departments to act on the needs of the 3.7 million older people living in the 88 most deprived local authority areas in England.

During the year, we also restructured our SeniorLine service to be able to respond to an extra 10,000 calls, bringing the total number of enquiries we answered to 94,000 and helping even more older people to claim the benefits due to them. And we are developing partnerships with a range of organisations to expand our work to encourage older people to claim their benefits, particularly Attendance Allowance, the Minimum Income Guarantee and Council Tax benefit.

Overseas, we have continued our disaster support work in southern Africa. We have also increased our network of contacts with other international organisations to address poverty, HIV/Aids and human rights issues throughout the world.

In the year ahead, we will:

- highlight how increases in Council Tax push older people on low incomes further into poverty and publish a detailed report setting out the case for reform of the system
- campaign on the scandal of 20,000 older people dying each winter, publish our findings on fuel poverty and, through our membership of the Government's Fuel Poverty Advisory Group, continue to press for action and resources to tackle cold, damp homes
- press for the insulting extra amount paid to pensioners over 80 to be increased from 25p to £5 a week and draw attention to the particular problems of older women who are living in the greatest poverty
- work with our partners to set up a team of volunteers to help 5,000 older people to claim their benefits, including Council Tax benefit
- through our partner, HelpAge International, continue to fund mobile medicare units in India as well as emergency work and other projects to help some of the poorest older people around the world
- develop housing advice as a major part of our work for older private tenants as well as practical support for projects for older people who are homeless or vulnerable
- use the Help the Aged Income Index to enable local authorities and other relevant organisations to target resources to older people in the most deprived neighbourhoods

Reducing isolation

We are working to:

- involve older people in planning local services
- provide practical solutions to reduce crime and fear of crime
- understand the complex causes of isolation
- reach out to older people in other countries

Poverty is only partly about not having a decent income. It's also about being excluded and isolated because society does not meet your needs. Millions of older people in the UK feel trapped at home. They don't have the means or freedom to enjoy life fully – to be able to travel to see family and friends, visit the shops or go out at night without fear.

This year, we launched the first stage of our campaign for free bus travel for all pensioners in the UK, encouraging take-up of concessionary fares. We also made MPs focus on the issues of affordability and accessibility. The second stage of the campaign will be based on research carried out this year, which maps fare schemes and highlights inconsistencies across the four nations.

Working with local forums and action groups, we have also been campaigning to ensure that post office closures and changes to the way that pensions and benefits are paid do not lead to further exclusion and hardship for older people.

'If I don't know where else to go for advice and help, I turn to Help the Aged.'
David Roberts, chair of Holbeach Seniors' Link, Lincolnshire

The majority of older people are not at risk of crime but their fear of becoming a victim can constrain or even ruin their lives. We published a report aimed at reducing crime and the fear of crime. It includes a 10-point best practice plan highlighting the importance of involving older people in local projects.

Putting theory into practice, we've launched 10 new HandyVan projects to help older people feel safer by securing a further 18,000 homes, bringing the total to 80,000. We had to lay more extensive groundwork for our national gardening programme than anticipated, delaying the launch. The scheme, which aims to make older people's homes appear less vulnerable to burglars, will now be rolled out next year.

In a major breakthrough, our SeniorSafety campaign has persuaded the Home Office to classify distraction burglary as an offence that police forces in England and Wales must record.

We've maintained our focus on our SeniorLink programme, connecting more people to our 24-hour telephone based immediate response service, bringing the total to 7,400. The service is called Careline in Northern Ireland where 97 per cent of our 7,000 clients say it has been key to their decision to stay in their own homes. SeniorLink has been extended to monitor illness and falls and we have taken over the falls prevention work, Avoiding Slips, Trips and Broken Hips, from the Department of Trade and Industry.

Another 115 SeniorMobility minibuses given to community projects throughout the UK are helping many more older people to get out and about. And refitting 35 existing shops and opening 10 new ones have enabled us to bring information and advice to more communities.

Overseas, we held a seminar in Slovenia to share our experience on age and advocacy, reaching out to older people in those countries set to join the European Union in 2004.

In the year ahead, we will:

- launch our research report, *Fair Fares*, and continue to lobby the Department for Transport to finance a nationwide, full fare bus pass system in England to match the best of the concessionary travel schemes in the other three nations of the UK
- refit another 12 shops and open 17 new ones to ensure an even wider distribution of information and advice and to raise funds for the Charity
- provide information and advice for the one million pensioners without bank accounts on how to cope with the new system of direct payment of pensions and other benefits
- fully launch our gardening scheme with 11 grants to partner organisations
- continue to challenge post office closures where these will cause hardship for older people
- extend our SeniorLine to include a letter and e-mail service, and develop and distribute three million advice leaflets on everything from help in the home to fighting the flu
- expand our work with older people in countries due to join the European Union and begin to develop a longer term support programme

Defeating ageism

We are working to:

- transform attitudes
- strengthen the law
- improve public facilities and services

One of the most powerful weapons we have in the fight against ageism is the voices of older people themselves. This year, we have extended our support for older people's forums within the Speaking Up for Our Age programme as well as for other campaigning groups.

Five Speaking Up for Our Age conferences, including one in Scotland and one in Wales, have been a great success, bringing hundreds of older people together to share their experience and ideas. We ran 24 training seminars for older people during the year, on everything from fundraising and using the media to influencing local authorities. And we published *Senior citizens' forums: a voice for older people* to inspire service providers to consult and work in partnership with older people.

'Help the Aged is an enabler, our fairy godmother.'
Anne Lloyd, CAMA winner, kayaking club, Scotland

Our Citizens' Action Millennium Awards to older people continued to create ripples, bringing benefits to grant-holders and their communities. Awards continued to go to projects that help older people get to grips with new technology and, in Northern Ireland, 100 older people successfully crossed the digital divide by completing our groundbreaking 10-week ICT training programme.

Our rural programme, Village Voice, continued to provide both financial and practical support to encourage and enable often very isolated groups to get things done – setting up advocacy projects, developing local transport, calling for better health services and running befriending schemes, for example.

We continued to press Government for wide-ranging anti-discrimination legislation that covers the provision of goods and services as well as employment and for an effective joint, single equality body and human rights commission. And we have spoken up for age at national events and within the wider anti-discrimination lobby to ensure that it is taken as seriously as other issues such as gender, race and disability.

The 'Scrap it!' campaign, launched in March 2002, and the publication of our evidence review, highlighting age discrimination in seven different fields of public policy, put the issue well and truly on the map. The campaign goes from strength to strength, supported by a programme of talks, our policy newspaper, *Age Equality Now!*, media activity and a 13,000 signature petition to the Prime Minister. It has successfully positioned age equality as a human rights issue.

We have run training seminars with the BBC to make local radio and TV stations more aware of their older audience and to get older people involved in programme making and presenting.

We have also been raising awareness of ageism and older people's issues among the younger generation. Our education support officers have given presentations to some 50,000 school students. And more than 6,500 teachers have requested our primary and secondary teaching resources to help them to meet key curriculum objectives.

In the year ahead, we will:

- establish Speaking Up for Our Age forums in areas of the UK where they do not currently exist
- work with others to extend and improve our support to forums, enabling the movement to become even more effective and to be heard loud and clear
- keep up the pressure on Government for comprehensive anti-discrimination legislation and campaign for a human rights commission as part of or alongside a single equality body
- call for an older people's commissioner to protect the rights of older people immediately
- work with companies to persuade them of the business benefits of employing older workers, and, through the Third Age Employment Network (TAEN), find ways of helping older people to get back into work if they wish to
- highlight and work to remove the anomaly of the mobility allowance being available only to people under 65
- lobby government to include age awareness in the national curriculum for Key Stages 1–4

Promoting quality in care

We are working to:

- expose bad practice
- promote good practice
- get a fairer, simpler funding system

We believe older people are entitled to dignity, choice and independence, especially when they need health or social care, whether in hospital, in residential or nursing homes or in their own homes.

During the year, we continued campaigning for more resources for social care and a fairer system for allocating funds and services.

We used our report, *Direct Payments, Direct Control*, to call for older people to be given the right to manage their own care. Since then, the Government has made it compulsory for local authorities to offer direct payments to older people so that individuals can take more control over their care by buying services that better meet their needs.

Following our exposure of the scandal that older people in care homes were being forced to spend their Personal Expenses Allowance on essential goods and services, new guidance came into force in England in April. It raises the allowance level from £16.05 to £17.50 a week and it reminds councils that this money is for residents to spend as they choose.

*'We're deprived of services in this remote area.
We would not have got going without Help the Aged.
I think we would have wavered without the energy they put in.'*

Christine Knapp, Esk Moors Action for the Elderly,
North Yorkshire National Park

In Wales, we continued to campaign against charging for home care and in Scotland, we have developed research programmes into older people's mental health issues.

Better health is a central part of our vision for an active and fulfilled older age. Through our special Trust, Research into Ageing, we continued to push back the boundaries of medical knowledge in the prevention and treatment of conditions that can commonly occur in later life, such as Alzheimer's disease, osteoporosis and stroke. We pledged £2.4 million, including our first grants in incontinence research, five medical research fellowships and three programme grants in London and Oxford, looking at areas such as immunology, muscle strength and osteoarthritis.

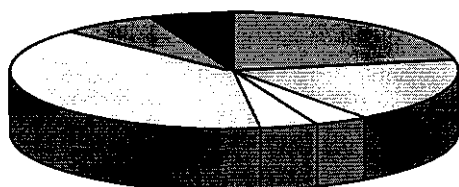
We took over the falls prevention programme, Avoiding Slips, Trips and Broken Hips, from the Department of Trade and Industry this year. It's helping to keep older people active for longer and to save the nation millions in healthcare costs.

And we developed the Care Options programme with the Elderly Accommodation Counsel, allowing older people to find the care home that best suits their needs.

In the year ahead, we will:

- continue to campaign for investment and development in social care services and for an improvement in the quality of life for older people in care homes
- turn the spotlight on the neglect and abuse of older people in poorly run care homes
- campaign for greater investment in health and social services to prevent illness and disability, keeping older people healthy, active and independent for longer
- through Research into Ageing, continue to fund the best UK-based bio-medical researchers, particularly those investigating the important but much-neglected area of incontinence
- enable older people to choose the best care home for them through the Care Options programme in partnership with the Elderly Accommodation Counsel
- bring falls prevention advice to thousands more through a best practice toolkit for health professionals and a basic exercise book for older people
- work in Scotland to investigate and make recommendations about the NHS complaints system as it relates to older people
- develop a sustainable strategy on intermediate care to ensure that people can return from hospital to their own homes as early as they are able

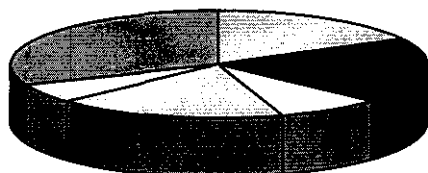
Income by Source £74.1m



- Donations & Gifts 22%
- Legacies 18%
- Grants Receivable 4%
- Housing 4%
- Retail 39%
- Merchandising & Events 7%
- Other 6%

Our work in 2002/3 has been made possible by another successful year financially. Although, income in 2002/3 at £74.1 million is just under £1 million lower than in 2001/2, this decrease was caused by the resulting loss of income from the transfer of 25 care homes on 8 November 2002 to Hanover Friends. However, within the year we had record levels of income in Legacies and Retail. In addition, Help the Aged was instrumental in raising a further £3.4 million for older people: £0.7 million for HelpAge International from government and EU sources for co-funding international projects plus £2.7 million for other UK charities that share the objectives of Help the Aged.

Charitable Expenditure £51.1m



- Poverty 17%
- Isolation 20%
- Ageism 8%
- Quality in Care 18%
- Research 6%
- Housing Transfer 31%

The level of charitable expenditure is up from £35.7 million, a record level in 2001/2, to £51.1 million in 2002/3. However, this includes the net impact of the transfer of the care homes. The underlying level of charitable expenditure is £34.9 million. This is lower than 2001/2 but this is due to the reduction in underlying expenditure on housing as a result of transferring 25 care homes to Hanover Friends.

The transfer of the care homes has also had a significant impact on the balance sheet with 25 properties with a carrying value of £18.4 million being transferred to Hanover Friends with appropriate interest free loans from Housing Residents of £5.9 million and Property Maintenance Funds of £0.6 million. The Property Fund was mainly eliminated as part of the transfer and also as part of the reserves review referred to in the Trustees' review.

The impact of the continued global downturn in equity markets led to an unrealised loss of just under £2 million to the Charity during the year.

The trading subsidiaries of the Charity have added £1.7 million of net income to the results of the Charity from sponsorship, raffles, insurance, funeral plans, mail order, retail bought-in goods, payroll giving and other trading activities.

Corporate governance

Governance, decision making

The governing body of the Charity is the Board of Trustees, which comprises 19 members and meets six times a year, including a two-day conference to review strategy and performance, together with the Director General and Executive Directors. Trustees are elected for a three-year period and may be re-elected for further three-year periods. Proposed members are subject to election at AGM.

The Board has established five 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, Nominations, Remuneration, Property and Audit. 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 Director General and the 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.

Statement of Trustees' responsibilities

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

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

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

Risk and internal control

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

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

During this year the Charity has further developed, tuned and embedded the formal risk management process originally introduced in 2000/1 and progressed last year. During 2002/3, workshops have again been held, both by the Executive Directors as a group and by the Directors individually with their management teams, aimed at reviewing the types of risks the Charity and each operating division and its departments face, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. A Charity risk register and individual divisional registers, identifying strengths and weaknesses of control together with actions required and taken to rectify the latter, have been prepared, updated and reviewed regularly by the Directors and management.

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

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

- the responsibility of management to implement the Trustees' policies and identify and evaluate risks for their consideration on an ongoing basis;
- consideration of the type of risks the Charity faces;

Corporate governance continued

- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Charity's ability to reduce the incidence and impact on the business of risks that do materialise;
- the costs of operating particular controls relative to the benefit obtained; and
- arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken.

During 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. Work undertaken during the year enabled considerable progress to be made in order to fully comply with the guidance for directors of public listed companies contained within the Turnbull report. Compliance is currently estimated to be achieved during 2004/5. 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

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

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

General reserves

As a result, over the medium term, the Charity aims to build free reserves to a level which will provide a minimum of three months' budgeted total unrestricted resources expended. At 30 April 2003 that level should be £19.2 million and free funds stand at £9.6 million. It should be noted that this level includes the one-off impact of the transfer of the care homes to Hanover Friends and an adjusted level of funds is £15.1 million. The Trustees have agreed to meet a business plan that continues to address this shortfall.

The actuarial valuation of the Help the Aged pension scheme at 30 April 2003, for the purposes of FRS 17, showed a funding deficit of £7.6 million. FRS 17 does not currently require this deficit to be set off against general reserves but, even allowing for such an offset, Help the Aged would still be reporting positive general reserves.

The grant commitment to international aid programmes for 2003/4 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.

Corporate governance continued

Investments

The Trustees agreed the following statement of investment principles at a meeting of the Board on 26 March 2003:

- 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.
- The Charity's asset allocation strategy is 50 per cent equities and 50 per cent cash. Its equity investments are allocated 70 per cent in UK equities and 30 per cent in overseas equities. This strategy was developed with the advice of Bacon and Woodrow and takes into account the nature of the Charity's business as reflected in its business plan. Also, it bears in mind that equity is inherently volatile in performance terms and, until a significant unrealised profit has been developed, it would be prudent to retain a significant level of cash reserves.
- The Charity has a diversified investment portfolio with an overall low risk. Investing in shares is considered a low-to-medium risk; however, the Charishare fund is seen as a low risk equity fund, aiming for long-term capital growth and reducing inflationary risks.
- The Charity has mandates with Merrill Lynch Investment Managers, in whose Charishare fund its UK equities are invested, and Barclays Global Investors, in whose Aquila funds its overseas investments are invested. The fee structures are:

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

At 30 April 2003 the Charity's investment details and performance against benchmark were:

Fund	Mkt value 30/4/02	Additions in year	Mkt value 30/4/03	Allocation on Mkt value	Investment Allocation Benchmark	Inc/(Dec) in value of investment	Benchmark Index	Comparison against benchmark
	£'000	£'000	£'000	%	%	%	%	%
Charishare	4,517	2,535	5,744	69.74	70.00	(18.55)	(21.43)	2.79
BGI Aquila Funds	1,595	1,465	2,473	30.02	30.00	(19.18)	(21.57)	2.39
US	512	523	852	10.34	10.00	(17.68)	(21.57)	3.84
Europe (Ex UK)	528	515	850	10.32	10.00	(18.50)	(22.56)	4.06
Japan	303	180	347	4.21	5.00	(28.16)	(29.65)	1.49
Pacific Rim	252	247	424	5.15	5.00	(15.03)	(14.96)	(0.07)
Cash	-	-	20	0.24	-	-	-	-
	6,112	4,000	8,237	100.00	100.00	(18.54)	(21.40)	2.86

Index figures are provided by Russell Melon CAPS

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

At 30 April 2003 the group's cash and short-term deposits stood at £8.6 million. During the year the average return made by the group's cash deposits was 3.8 per cent against an average bank rate of 3.9 per cent.

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

Corporate governance continued

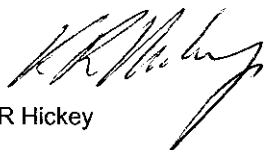
There is an unrealised loss on the Fledgling bond and UK equity fund units of £94,868 (2002: £66,205), held by the charity of C E Saunders, an endowed fund of the Charity. There is an unrealised loss on the Fledgling bond and UK equity fund units of £3,256 (2002: £nil), held in the Gillingham Endowed Fund.

Grant making policies

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

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

Approved by the Board and signed on its behalf on 9 July 2003 by:



K R Hickey

Company Secretary

Independent auditors' report

To the Members of Help the Aged

We have audited the financial statements of Help the Aged for the year ended 30 April 2003, which comprise the Statement of financial activities, Balance sheets, Cash flow statement and the related notes numbered 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charity's members as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

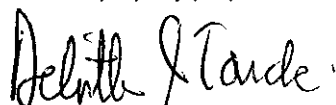
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and of the group at 30 April 2003 and of the group's incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
London
18 July 2003

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the Trustees but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)

For the year ended 30 April 2003

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	Total 2003 £'000	Total 2002 £'000
Incoming resources						
Donations and gifts		6,402	10,361	-	16,763	17,413
Legacies receivable		12,291	899	49	13,239	12,796
Community fundraising		654	-	-	654	752
Grants receivable		232	2,384	-	2,616	2,338
		<u>19,579</u>	<u>13,644</u>	<u>49</u>	<u>33,272</u>	<u>33,299</u>
Activities in furtherance of the Charity's objectives						
Housing		2,981	-	-	2,981	5,358
Community transport		-	1,843	-	1,843	1,408
Activities for generating funds						
Sale of donated and bought-in goods		29,240	-	-	29,240	28,651
Sale of services by joint venture	12	446	-	-	446	392
Merchandising and events		4,987	13	-	5,000	4,617
Investment income	2	527	306	-	833	1,199
Share of net interest in joint venture	12	(2)	-	-	(2)	(2)
Other incoming resources						
Net gain on disposal of tangible fixed assets		911	-	-	911	398
		<u>58,669</u>	<u>15,806</u>	<u>49</u>	<u>74,524</u>	<u>75,320</u>
Total incoming resources including share of joint venture						
Less share of joint venture	12	(444)	-	-	(444)	(390)
		<u>58,225</u>	<u>15,806</u>	<u>49</u>	<u>74,080</u>	<u>74,930</u>
Total incoming resources						
		<u>58,225</u>	<u>15,806</u>	<u>49</u>	<u>74,080</u>	<u>74,930</u>
Resources expended						
<i>Cost of generating funds</i>						
Fundraising expenditure		(9,780)	(533)	-	(10,313)	(8,414)
Cost of selling donated and bought-in goods		(26,216)	-	-	(26,216)	(25,462)
Merchandising and events		(4,974)	-	-	(4,974)	(4,997)
		<u>(40,970)</u>	<u>(533)</u>	<u>-</u>	<u>(41,503)</u>	<u>(38,873)</u>
Total cost of generating funds						
		<u>(40,970)</u>	<u>(533)</u>	<u>-</u>	<u>(41,503)</u>	<u>(38,873)</u>
Net incoming resources available for charitable application (before joint venture)		<u>17,255</u>	<u>15,273</u>	<u>49</u>	<u>32,577</u>	<u>36,057</u>
Charitable expenditure						
Grants payable:	5					
UK		(1,376)	(6,111)	-	(7,487)	(9,841)
International		(570)	(4,508)	-	(5,078)	(6,516)
Housing		(5,762)	(494)	-	(6,256)	(7,958)
Housing transfer		(16,237)	-	-	(16,237)	-
Community transport		-	(1,941)	-	(1,941)	(1,465)
Information, campaigning and education		(9,196)	(74)	-	(9,270)	(7,604)
Programme support costs		(2,221)	(2,181)	-	(4,402)	(1,498)
Management and administration		(388)	(45)	-	(433)	(742)
Taxation	6	(2)	-	-	(2)	(27)
Share of taxation in joint venture	12	(1)	-	-	(1)	(4)
		<u>(35,753)</u>	<u>(15,354)</u>	<u>-</u>	<u>(51,107)</u>	<u>(35,655)</u>
Total charitable expenditure						
		<u>(35,753)</u>	<u>(15,354)</u>	<u>-</u>	<u>(51,107)</u>	<u>(35,655)</u>
Total resources expended	7	<u>(76,723)</u>	<u>(15,887)</u>	<u>-</u>	<u>(92,610)</u>	<u>(74,528)</u>
Net (expenditure)/income for the year before joint venture		<u>(18,498)</u>	<u>(81)</u>	<u>49</u>	<u>(18,530)</u>	<u>402</u>
Share of operating profit of joint venture	12	23	-	-	23	20
		<u>(18,475)</u>	<u>(81)</u>	<u>49</u>	<u>(18,507)</u>	<u>422</u>
Net (expenditure)/income for the year						
Transfer between funds		(690)	-	690	-	-
Net (losses)/gains on investment assets		(1,875)	-	(98)	(1,973)	46
		<u>(21,040)</u>	<u>(81)</u>	<u>641</u>	<u>(20,480)</u>	<u>468</u>
Net movement in funds	10					
Fund balances brought forward at 1 May	19	32,392	2,234	709	35,335	34,867
		<u>11,352</u>	<u>2,153</u>	<u>1,350</u>	<u>14,855</u>	<u>35,335</u>
Fund balances carried forward at 30 April	19					
		<u>11,352</u>	<u>2,153</u>	<u>1,350</u>	<u>14,855</u>	<u>35,335</u>

All the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes was £18,507,000 (2002: surplus of £422,000).

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

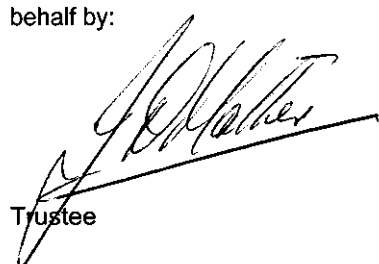
Balance sheets

As at 30 April 2003

Notes	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Fixed assets				
Intangible assets – Goodwill	80	86	-	-
Tangible assets				
Housing properties	7,953	26,494	7,953	26,494
Other assets	2,300	2,256	2,296	2,250
	11	10,253	10,249	28,744
Investments	12	11,543	11,620	21,510
Investment in joint venture				
- share of gross assets	12	166	-	-
- share of gross liabilities	12	(132)	-	-
		21,910	21,869	50,254
Current assets				
Property for realisation	13	531	531	155
Stock		258	-	-
Debtors:				
Amounts falling due within one year	14	6,176	7,483	4,967
Amounts falling due after more than one year	15	-	1,567	1,787
Cash at bank and in hand		7,054	3,285	3,521
		14,019	12,866	10,430
Creditors:				
Amounts falling due within one year	16	(13,683)	(12,488)	(12,855)
Net current assets/(liabilities)		336	378	(2,425)
Total assets less current liabilities		22,246	22,247	47,829
Creditors:				
Amounts falling due after more than one year	17	(2,350)	(2,350)	(7,151)
Provision for liabilities and charges	18	(5,041)	(5,041)	(5,138)
Net assets		14,855	14,856	35,540
Funds				
Endowment	19	1,350	1,350	709
Restricted:				
UK	19	5,359	5,359	6,513
International	19	(3,206)	(3,206)	(4,279)
Unrestricted:				
Designated	19	1,718	1,718	16,223
General	19	9,635	9,635	16,374
Non-charitable excluding joint venture	4,19	(35)	-	-
Joint venture	12	34	-	-
Total funds	19	14,855	14,856	35,540

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

The financial statements on pages 16 to 34 were approved by the Board of Trustees on 9 July 2003 and signed on their behalf by:


Trustee


Trustee

Consolidated cash flow statement

For the year ended 30 April 2003

		2003		2002	
	Notes	£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operating activities	21		(19,501)		5,095
Returns on investments			833		1,199
Taxation			2		27
Capital expenditure					
Payments to acquire tangible fixed assets		(2,841)		(2,967)	
Receipts on sale of tangible fixed assets		20,227		751	
Purchase of investments		(4,739)		(6,004)	
Receipts on sale of investments		12,656		3,907	
			25,303		(4,313)
Net cash inflow before financing			6,637		2,008
Financing					
Net repayment of interest free loans	22		(6,150)		(613)
Increase in cash	22		487		1,395

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 October 2000, and applicable Accounting Standards.

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

The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA or Income and Expenditure Account have been presented for the Charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 304 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 35. 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 priorities development fund to develop priorities set out in the business plan; and a fund for research grants for Research into Ageing.

Restricted funds are funds subject to specific conditions imposed by the donors.

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

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. For legacies, entitlement is the earlier of estate account being finalised and cash received.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

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.

Support costs comprise all services supplied centrally, identifiable as wholly or mainly in support of direct charitable purposes and include an appropriate proportion of general overheads.

Notes to the financial statements (continued)

Central overheads are allocated to operational and fundraising functions on the basis of their use of central support services with the aim of ensuring that those costs remaining within administration relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

Grants are charged to the statement of financial activities when a constructive obligation exists.

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. The level for capitalisation increased from £500 on 1 May 2002. Depreciation 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 consists 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).

l) Pensions

The Charity contributes to a defined benefits scheme which was closed to new entrants on 31 July 2002. The pension scheme is administered by Trustees and is separate from the Charity. Independent actuaries complete valuations at frequent intervals, usually triennial. The expected cost of pensions is charged to the SOFA over the expected service lives of the employees in the schemes.

The Charity contributes to a group personnel 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.

Notes to the financial statements (continued)

2 Investment income

	2003 £'000	2002 £'000
Dividend income	267	19
Short term deposits	566	1,180
	<u>833</u>	<u>1,199</u>

3 Results from Research into Ageing

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

	Restricted fund 2003 £'000	Designated fund 2003 £'000	Total 2003 £'000
Incoming resources			
Donations and gifts	808	-	808
Legacies receivable	541	-	541
Grants and income received from trusts	251	-	251
Investment income	89	-	89
Designated fund from Help the Aged	-	1,000	1,000
Total incoming resources	<u>1,689</u>	<u>1,000</u>	<u>2,689</u>
Resources expended			
Cost of generating funds			
Fundraising expenditure	(533)	-	(533)
Total cost of generating funds	<u>(533)</u>	<u>-</u>	<u>(533)</u>
Net incoming resources available for charitable expenditure	<u>1,156</u>	<u>1,000</u>	<u>2,156</u>
Charitable expenditure			
Grants payable – UK	(904)	(1,467)	(2,371)
Furtherance of Charity's objectives			
Information, campaigning and education	(76)	-	(76)
Programme support costs	(131)	-	(131)
Management and administration	(45)	-	(45)
Total charitable expenditure	<u>(1,156)</u>	<u>(1,467)</u>	<u>(2,623)</u>
Total resources expended	<u>(1,689)</u>	<u>(1,467)</u>	<u>(3,156)</u>
Net movement in funds	-	(467)	(467)
Fund balances at 1 May	-	594	594
Fund balances at 30 April	-	127	127

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 events and sponsorship. Help the Aged (Mail Order) Limited sells 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. The results of Help the Aged (Mail Order) Limited including its wholly owned subsidiary, Payroll Giving Limited, is also shown.

	Payroll Giving Ltd £'000	Help the Aged (Mail Order) Ltd £'000	Help the Aged (Mail Order) Ltd (including Payroll Giving Ltd) £'000	Help the Aged (Trading) Ltd £'000	Total 2003 £'000
Incoming resources					
Donations and gifts	-	-	-	1,070	1,070
Merchandising and events	1,384	2,402	3,786	2,378	6,164
Investment income	1	59	60	50	110
Total incoming resources	1,385	2,461	3,846	3,498	7,344
Total costs	(1,374)	(2,278)	(3,652)	(1,775)	(5,427)
Net movement for the year	11	183	194	1,723	1,917
Gift Aid payable to Help the Aged	-	-	-	(1,733)	(1,733)
Taxation	(5)	3	(2)	-	(2)
Retained profit for the year	6	186	192	(10)	182
Funds brought forward at 1 May 2002	63	(296)	(233)	16	(217)
Funds carried forward at 30 April 2003	69	(110)	(41)	6	(35)
Total assets	323	1,831	2,154	2,467	4,621
Total liabilities	(253)	(1,874)	(2,127)	(2,451)	(4,578)

Notes to the financial statements (continued)

5 Grants payable

	2003 £'000	2002 £'000
Research into Ageing (institutional research grants)	2,371	1,635
UK aid programmes		
SeniorSafety	1,433	1,651
Community projects	2,614	3,433
Community services	539	1,048
Innovation and development	220	1,185
Housing and care projects	-	250
Other projects	310	639
Total UK programmes	7,487	9,841
International aid programmes		
Refugees and disaster	591	1,240
Health and medical	138	502
Gifts in kind	733	391
Support for HelpAge International	570	735
Adopt a Granny	2,480	2,115
Training and education	140	423
Poverty reduction	54	148
Community care and safety	168	515
Information and campaigning	204	447
Total international programmes	5,078	6,516
Total charged to consolidated statement of financial activities	12,565	16,357

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

6 Taxation

UK Corporation Tax payable by Help the Aged (Mail Order) Limited and its wholly owned subsidiary Payroll Giving Limited amounts to £2,354 (2002: £26,789).

Notes to the financial statements (continued)

7 Total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2003 £'000	Total 2002 £'000
Cost of generating funds					
Fundraising expenditure	3,220	6,984	109	10,313	8,414
Cost of selling donated and bought-in goods	13,399	11,997	820	26,216	25,462
Merchandising and events	1,894	3,079	1	4,974	4,997
Charitable expenditure					
Furtherance of Charity's objectives					
Grants payable (Note 5)	542	11,979	44	12,565	16,357
Housing	2,391	3,538	327	6,256	7,958
Housing transfer	40	16,197	-	16,237	-
Information, campaigning and education	4,660	4,502	108	9,270	7,604
Community transport	-	1,941	-	1,941	1,465
Programme support costs	2,273	2,048	81	4,402	1,498
Management and administration	245	187	1	433	742
Taxation	-	2	-	2	27
Share of taxation in joint venture	-	1	-	1	4
Total	28,664	62,455	1,491	92,610	74,528

8 Staff numbers and emoluments

	2003		2002	
	Full time	Part time	Full time	Part time
The average number of persons employed during the year was as follows:				
Shops	788	516	782	463
Housing	44	121	85	247
Other	427	126	367	92
	1,259	763	1,234	802

	2003 £'000	2002 £'000
The aggregate emoluments of these persons were as follows:		
Salaries including benefits in kind	25,503	25,667
Social security costs	1,623	1,650
Pension contributions	1,538	1,360
	28,664	28,677

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

	2003 Number	2002 Number
£50,000 to £59,999	7	7
£60,000 to £69,999	1	2
£70,000 to £79,999	4	2
£80,000 to £89,999	2	-
£90,000 to £99,999	1	1

Notes to the financial statements (continued)

9 Trustees emoluments and reimbursed expenses

The Trustees received no remuneration for their services.

The aggregated amount of expenses reimbursed to the Trustees during the year was £10,175 (2002: £nil).

The number of Trustees reimbursed for travel expenses was 3 (2002: nil).

Indemnity insurance is provided for Trustees, Directors and employees. Premiums paid during the year totalled £4,830 (2002: £4,032).

During the year ended 30 April 2003 the Charity awarded grants of £1,022,574 (2002: £268,858) for projects to which members of the Board of Trustees were connected. These members of the Board of Trustees did not participate in the decisions to award the respective grants.

During the year ended 30 April 2003 the Charity awarded grants of £1,145,956 (2002: £853,982) 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.

Research Advisory Council member	Details of research grant	Amount £
Professor L Iversen and Professor A Carr, University of Oxford	Professor N A Athanasou and Professor A Carr for 'Cellular mechanisms of bone and joint destruction in osteoarthritis'	67,500
Professor S O'Rahilly, Cambridge University	Dr M Murphy for 'Investigating the contribution of mitochondrial oxidative damage to cell death in ageing using mitochondria-specific antioxidants'	66,750
Professor L Iversen, Professor S Lovestone and Professor S Jackson, King's College London	Dr G Coulton and Dr O Rutherford for 'The molecular basis of skeletal muscle weakness in old age: a search for new treatments'	433,951
Professor L Iversen and Professor A Carr, University of Oxford	Dr J Loughlin for 'The identification and characterisation of the primary osteoarthritis susceptibility gene that resides in chromosome 6p12.3-q13'	499,822
Professor P Luthert and Professor L Partridge, University College London	Dr L James for 'A novel genetophysical strategy investigating the cellular mechanisms regulating human bone remodelling'	77,933
		<u>1,145,956</u>

The Charity leases a shop from the 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 (2002: £10,000).

The Charity has instructed a firm of chartered surveyors where one of the Trustees, Christopher Woodbridge, is a partner, to advise on property matters on a commercial basis. An amount of £24,088 (2002: £21,688) was paid to them during the financial year under review. The Charity's governing instrument has procedures, agreed with the Charity Commission, stipulating when and how such payments can be made.

10 Net movement in funds

	2003 £'000	2002 £'000
Net movement in funds is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,491	1,813
Amortisation of goodwill	6	6
Housing transfer	16,237	-
Profit on disposal of fixed assets	(911)	(398)
Auditor's remuneration:		
audit of charitable company	36	35
audit of subsidiaries	15	15
other	12	16
Operating lease rentals	6,250	5,832

Notes to the financial statements (continued)

11 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
(a) Charity						
Cost or donated valuation						
At 1 May 2002	22,953	5,222	6,774	3,632	2,856	41,437
Additions	104	863	957	711	206	2,841
Disposals	(20,841)	(568)	-	(663)	(54)	(22,126)
Transfers to properties for resale	(295)	(267)	-	-	-	(562)
At 30 April 2003	1,921	5,250	7,731	3,680	3,008	21,590
Depreciation						
At 1 May 2002	2,012	255	6,188	1,879	2,359	12,693
Charge for the year	196	92	367	658	176	1,489
Eliminated on disposal	(2,069)	(61)	-	(630)	(50)	(2,810)
Transfers to properties for resale	(24)	(7)	-	-	-	(31)
At 30 April 2003	115	279	6,555	1,907	2,485	11,341
Net book value						
At 30 April 2003	1,806	4,971	1,176	1,773	523	10,249
At 30 April 2002	20,941	4,967	586	1,753	497	28,744
(b) Group						
Cost or donated valuation						
At 1 May 2002	22,953	5,222	6,774	3,632	2,877	41,458
Additions	104	863	957	711	206	2,841
Disposals	(20,841)	(568)	-	(663)	(54)	(22,126)
Transfers to properties for resale	(295)	(267)	-	-	-	(562)
At 30 April 2003	1,921	5,250	7,731	3,680	3,029	21,611
Depreciation						
At 1 May 2002	2,012	255	6,188	1,879	2,374	12,708
Charge for the year	196	92	367	658	178	1,491
Eliminated on disposal	(2,069)	(61)	-	(630)	(50)	(2,810)
Transfers to properties for resale	(24)	(7)	-	-	-	(31)
At 30 April 2003	115	279	6,555	1,907	2,502	11,358
Net book value						
At 30 April 2003	1,806	4,971	1,176	1,773	527	10,253
At 30 April 2002	20,941	4,967	586	1,753	503	28,750

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

	2003 £'000	2002 £'000
Freeholds	1,649	18,778
Long leaseholds	157	2,163
	1,806	20,941

Notes to the financial statements (continued)

12 Investments

	Other investments			Shares in joint venture	Group	Shares in subsidiary undertaking	Charity
	Short term deposits	Listed investments	Endowed funds				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Market value							
At 1 May 2002	14,597	6,112	709	15	21,433	77	21,510
Additions	-	4,000	739	-	4,739	-	4,739
Disposals	(12,656)	-	-	-	(12,656)	-	(12,656)
Net investment gains/(losses)	-	(1,875)	(98)	-	(1,973)	-	(1,973)
At 30 April 2003	1,941	8,237	1,350	15	11,543	77	11,620
Historic value At 30 April 2003	1,941	10,010	409	15	12,375	77	12,452

Listed investments:-

Merrill Lynch – Charishare Common Investment Fund – UK equities	5,764
Barclays Global Investors – Aquila US Equity Income	852
– Aquila European Equity Income	850
– Aquila Japanese Equity Income	347
– Aquila Pacific Rim Equity Income	424
	8,237

Endowed Funds:-

The Charity of C E Saunders	614
Charity of Gillingham Endowed Fund	687
The Charity of Miss Edna Lipson	49
	1,350

Investments in subsidiaries and joint ventures are held at cost.

The following is given in respect of the group's share of Fold Help Limited, whose activities are 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.

Notes to the financial statements (continued)

12 Investments (continued)

	2003 £'000	2002 £'000
Share of group's:		
Incoming resources from sale of services	446	392
Cost of generating funds	(421)	(370)
Net interest payable	(2)	(2)
	<u>23</u>	<u>20</u>
Taxation	(1)	(4)
Net incoming resources	<u>22</u>	<u>16</u>
Share of assets:		
Fixed assets	13	14
Current assets	153	106
	<u>166</u>	<u>120</u>
Share of liabilities	(132)	(108)
	<u>34</u>	<u>12</u>
Analysed as:		
Unrestricted funds	<u>34</u>	<u>12</u>

	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)	England and Wales	100%	10,000
Help the Aged (Mail Order) Limited (including its wholly owned subsidiary undertaking Payroll Giving Limited)	England and Wales	100%	67,100
<i>Joint venture</i>			
Fold Help Limited	Northern Ireland	50%	15,000
<i>Dormant subsidiary undertakings</i>			
Help the Aged Charity Lotteries Limited	England and Wales	100%	2
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%	2
Help the Aged Housing Appeal Limited	England and Wales	100%	8

13 Property for realisation

	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Gifted housing and freehold	<u>531</u>	<u>155</u>	<u>531</u>	<u>155</u>

14 Debtors: Amounts falling due within one year

	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Other debtors	3,852	2,329	3,521	1,940
Social security and other taxes	678	351	580	409
Amounts due from subsidiary undertakings	-	-	1,577	1,061
Prepayments and accrued income	1,646	1,616	1,805	1,557
	<u>6,176</u>	<u>4,296</u>	<u>7,483</u>	<u>4,967</u>

The Charity has been notified of legacies amounting to £5.4 million (2002: £6.6 million) which have not been recognised as income at 30 April 2003 and these will be included in future periods.

Notes to the financial statements (continued)

15 Debtors: amounts falling due after more than one year

	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Amounts due from subsidiary undertakings	-	-	1,567	1,787

16 Creditors: amounts falling due within one year

	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Short term grants	2,947	2,248	2,947	2,248
Interest free loans from housing residents repayable on change of occupancy	70	773	70	773
Corporation tax	6	27	-	-
Other creditors	7,905	6,103	7,042	6,089
Accrued expenses	2,755	4,787	2,429	3,745
	<u>13,683</u>	<u>13,938</u>	<u>12,488</u>	<u>12,855</u>

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

17 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Long term grants	2,175	1,529	2,175	1,529
Interest free loans from housing residents repayable on change of occupancy	175	5,622	175	5,622
	<u>2,350</u>	<u>7,151</u>	<u>2,350</u>	<u>7,151</u>

18 Provision for liabilities and charges

Charity and Group

Care provision	£'000
At 1 May 2002	5,138
Utilised in year	(753)
Increase in provision charged to Statement of Financial Activities	656
At 30 April 2003	<u>5,041</u>

Notes to the financial statements (continued)

19 Group statement of funds

	Balance 30 April 2002 £'000	Incoming resources £'000	Expenditure, losses and transfers £'000	Balance 30 April 2003 £'000
Endowment				
The Charity of Gillingham	-	-	687	687
Charity of C E Saunders	709	-	(95)	614
Edna Lipson's Charity	-	49	-	49
	<u>709</u>	<u>49</u>	<u>592</u>	<u>1,350</u>
Restricted funds				
UK aid programmes				
Research into Ageing (Note 3)	-	1,689	(1,689)	-
Day centres	45	24	(43)	26
Hospices and nursing homes	49	2	(20)	31
Community transport	427	1,902	(1,939)	390
Housing and care products	827	23	(613)	237
SeniorLink telephones	479	276	(221)	534
Heating grants	9	6	(15)	-
Gifts in kind	-	186	(186)	-
Community projects	2,477	3,148	(3,453)	2,172
Home safety	826	1,367	(1,024)	1,169
Elderly homelessness	131	62	(136)	57
Other projects	1,243	1,539	(2,039)	743
	<u>6,513</u>	<u>10,224</u>	<u>(11,378)</u>	<u>5,359</u>
International aid programmes				
Refugees and disaster	(8)	817	(591)	218
Gifts in kind	1	733	(734)	-
Adopt a Granny	(1,573)	2,215	(2,480)	(1,838)
Other projects	(2,699)	1,817	(704)	(1,586)
	<u>(4,279)</u>	<u>5,582</u>	<u>(4,509)</u>	<u>(3,206)</u>
Total restricted and endowment funds	<u>2,943</u>	<u>15,855</u>	<u>(15,295)</u>	<u>3,503</u>
Unrestricted funds:				
Designated funds				
Research into Ageing	594	1,000	(1,467)	127
Property funds	14,550	-	(14,550)	-
Property maintenance funds	917	-	(620)	297
Major works reserve	162	100	(31)	231
Development fund	-	-	1,063	1,063
	<u>16,223</u>	<u>1,100</u>	<u>(15,605)</u>	<u>1,718</u>
General funds	<u>16,374</u>	<u>56,943</u>	<u>(63,682)</u>	<u>9,635</u>
Non-charitable funds excluding joint venture	<u>(217)</u>	<u>182</u>	<u>-</u>	<u>(35)</u>
Joint venture	12	23	(1)	34
Total unrestricted funds	<u>32,392</u>	<u>58,248</u>	<u>(79,288)</u>	<u>11,352</u>
Total funds	<u>35,335</u>	<u>74,103</u>	<u>(94,583)</u>	<u>14,855</u>

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

- £29,063 from the Home Office (Active Community Unit) for the Rural Initiative
- £8,333 from the East of England Development Agency for the North Norfolk Rural Initiative
- £233,000 from the Department of Health for the Intermediate Care programme
- £6,000 from the Department of Health for the Falls Prevention programme
- £21,960 from the New Opportunities Fund for the SeniorLink Hospice HomeCare programme
- £8,878 from the New Opportunities Fund for the National Gardening programme
- £204,799 from the Community Fund for the Speaking Up for Our Age programme
- £40,200 from the Department of Trade and Industry for the Falls Prevention programme
- £20,000 from the Bridge House Estates Trust Fund for homelessness research
- £20,000 from the Bridge House Estates Trust Fund for London SeniorLink Bogus Caller

The grant commitment to international aid programmes for 2002/3 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 endowment 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. The administration of the estate was completed by the executors and the funds distributed on 15 July 2002.

Notes to the financial statements (continued)

20 Analysis of group net assets between funds

	Unrestricted funds £'000	Restricted and endowments funds £'000	Total funds £'000
Fund balances at 30 April 2003 are represented by:			
Intangible fixed assets	80	-	80
Tangible fixed assets	10,253	-	10,253
Investments	10,227	1,350	11,577
Current assets	11,866	2,153	14,019
Current liabilities	(13,683)	-	(13,683)
Long term liabilities	(7,391)	-	(7,391)
Total net assets	11,352	3,503	14,855

21 Net cash (outflow)/inflow from operating activities

	2003 £'000	2002 £'000
Reconciliation of net (expenditure)/income before joint venture for the year to net cash (outflow)/inflow from operating activities:		
Net (expenditure)/income for the year before joint venture	(18,530)	402
Depreciation	1,491	1,813
Profit on sale of tangible fixed assets	(911)	(398)
Transfers from fixed assets to property for realisation	531	155
(Increase)/decrease in property for realisation	(376)	23
Decrease/(increase) in stocks	5	(28)
(Increase)/decrease in debtors	(1,880)	881
Increase in creditors	1,099	3,249
(Decrease)/increase in provisions	(97)	197
Investment income	(833)	(1,199)
	(19,501)	5,095

22 Analysis of net funds

	At 1 May 2002 £'000	Cashflow £'000	At 30 April 2003 £'000
Cash at bank and in hand	6,567	487	7,054
Interest free loans	(6,395)	6,150	(245)
	172	6,637	6,809

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 frequent, usually triennial, valuations and charged to the Statement of Financial Activities so as to spread the cost over the scheme's members' service lives.

The pension cost to the Charity for the year was £1,484,000 (2002: £1,360,000).

The latest completed actuarial valuation was carried out at 30 September 2000 using the following principal assumptions:

Average rate of return on investments	6.6 per cent pa
Average rate of salary increases	4.5 per cent pa

The valuation showed the market value of the scheme's assets to be £18,750,000 and the actuarial value represented 97 per cent of the benefits that had accrued to members. The deficit amounted to £561,000. The employees' and employer's contribution rates remain at 6 per cent pa and 12.7 per cent pa respectively. The scheme's funding level on the basis prescribed by the Minimum Funding Requirement (MFR) was 101 per cent.

As required by SSAP 24, the figures in the financial statements in respect of the deferred benefit scheme are based on the actuarial valuation carried out at 30 September 2000. This does not take into account any impact of the fall in general stock market values since that date. Any such impact will be reflected in the next triennial valuation as at 30 September 2003 based upon which subsequent pension costs will be determined until the adoption of FRS 17.

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 £28,000 (2002: £nil).

FRS 17 Retirement benefits

Additional disclosures regarding the group's defined benefit pension scheme are required under the transitional provisions of FRS 17 'Retirement benefits' and these are set out below. The disclosures relate to the second year of the transitional provisions. They provide information which would be necessary for full implementation of FRS 17 in the year ending 30 April 2006.

The actuarial valuation described above has been updated at 30 April 2003 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. This information is provided for disclosure purposes only.

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

	2003 % pa	2002 % pa
Inflation	2.50	2.50
Rate of increase in salaries	4.00	4.50
Rate of increase for pensions in payment and deferred pensions	2.50	2.50
Discount rate	5.60	5.80

Notes to the financial statements (continued)

The fair value of assets in the scheme and the expected rate of return were:

	2003		2002	
	Fair value	Expected rate of return	Fair value	Expected rate of return
	£000	% pa	£000	% pa
Equities	13,278	8.80	14,652	7.90
Bonds	4,670	4.60	3,964	5.25
Cash	806	3.75	817	4.00
Total	18,754	7.54	19,433	7.20

An analysis of the amounts that would have been charged to the Statement of Financial Activities under FRS 17 is as follows:

	2003 £000
Amounts charged to charitable expenditure and cost of generating funds:	
Current service cost	2,083
	2,083
Amounts credited or charged to pension finance income:	
Interest cost	1,331
Expected return on assets	(1,468)
Pension finance income	(137)
Total	1,946
	2003 £000
Actual return less expected return on assets	4,069
Losses arising on liabilities	683
Losses on changes in assumptions underlying liabilities	105
Actuarial losses on defined benefit pension scheme	4,857

The history of experience gains and losses that would be disclosed under FRS 17 is shown below:

	2003
Loss on scheme assets (actuarial return less expected return on assets):	
Amount (£000)	4,069
% of scheme assets at end of year	21.7%
Experience losses arising on scheme liabilities:	
Amount (£000)	683
% of scheme liabilities at end of year	2.6%
Actuarial loss on defined benefit pension scheme:	
Amount (£000)	4,857
% of scheme liabilities at end of year	18.5%

Notes to the financial statements (continued)

An analysis of the reserves that would have arisen under FRS 17 is shown below:

	2003 £000	2002 £000
Scheme assets	18,754	19,433
Scheme liabilities	(26,318)	(21,785)
Pension scheme deficit	(7,564)	(2,352)
General reserve excluding pension liability	9,635	16,374
Total	2,071	14,022

A reconciliation of the movement in the pension deficit over the year is shown below:

	£000
Pension scheme deficit at 1 May 2002	(2,352)
Current service cost (net of member contributions)	(2,083)
Employer contributions	1,591
Pension finance income	137
Actuarial losses on defined benefit scheme	(4,857)
	(7,564)

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 2002 were:

	Active employees	Deferred pensioners	Pensioners
Help the Aged	608	561	100
HelpAge International	36	39	2
	<u>644</u>	<u>600</u>	<u>102</u>

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:

	2003 £'000	2002 £'000
Within one year	250	236
One to five years	827	523
After five years	5,105	5,155
	<u>6,182</u>	<u>5,914</u>

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 £1,790 to The Prime Initiative under the guarantee. The liability on the guarantee at 30 April 2003 was zero.

Trustees and advisers

Registered office
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Patron
HRH The Prince of Wales

Chairman of the Board of Trustees
John D Mather ^{1,3,4,5}

Vice Presidents
Princess Helena Mountafian MBE
The Duke of Devonshire MC PC
Marchioness of Dufferin and Ava
Dame Thora Hird DBE MLitt ⁷

Honorary Treasurer
The Duchess of Norfolk

Board of Trustees
Priscilla Campbell Allen ¹
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Henry Bowrey ^{1,2}
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Research into Ageing ⁶

President
HRH The Duchess of Gloucester GCVO

- ¹ Member of Finance Committee
- ² Member of Audit Committee
- ³ Member of Remuneration Committee
- ⁴ Member of Nomination Committee
- ⁵ Member of Property Committee
- ⁶ Research into Ageing is a Special Trust of Help the Aged
- ⁷ Dame Thora Hird DBE MLitt died on 15 March 2003

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Michael Lake CBE

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Solicitors
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Covent Garden
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WC2E 9HF

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Pall Mall Corporate Banking Group
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Investment Managers
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London
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Merrill Lynch Investment Managers Limited
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London
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JP Morgan Fleming Asset Management
Finsbury Dials
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EC2Y 9A

As required by the Articles of Association, Priscilla Campbell Allen, Jo Connell, Anna Coote, William Keates CBE and Michael Roberts retire by rotation and, being eligible, offer themselves for re-election at the AGM. The Charity would like to record it's thanks to Anne Harris CBE who has decided to retire as a Trustee at the AGM after 17 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:

Tony Carter, Senior Citizens Forums Network
June Mallon, Newtownabbey Senior Citizens' Forum, Northern Ireland
Lillian Cooke, Gloucestershire Senior Citizens' Forum
Jack Stewart, Perth, Kinross and North Tayside Pensioners' Forum
Hilda Price, Vale of Glamorgan Pensioners' Forum
Zonya Marsh, Bolton over 50s
Ken Lacey, Chairman, Western-super-Mare Senior Citizens Forum
Dorothy Runnicles, Chair, Eastern Region Older People's Advisory Group (BGOP)
Monica Hamilton
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

Specific restrictions imposed by the Memorandum and Articles of Association

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

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

Corporate relationships

A B S Scotland
Barclays Bank Plc
BBC Television, Blue Peter
Bloomberg
British Gas
BT
CCF Charterhouse
CMS Cameron McKenna
cScape
David Nieper Ltd
Dixons Group
Dollond & Aitchison
Ethnic Media Group
Exxon Mobil
Gallaher Group Plc
Harlequin Leisure Group Ltd
ICAP Plc
Jaguar Cars Ltd
Kleinworth Benson (Guernsey) Trustees Ltd
Leeds & Holbeck Building Society
Lloyd's Charities Trust, Lloyd's of London
Makro Self Service Wholesalers Ltd
Manek Investment Management Ltd
Marks & Spencer Plc
Nestlé UK Ltd
NM Rothschild & Sons Ltd
Patak's Foods Ltd
Pilkington Plc
Reebok UK
S & A Group of Companies
Sabras Radio
Safeway Stores Plc
Saga Group Ltd
SCA Hygiene Products UK Ltd
Shire Pharmaceuticals Ltd
The Nationwide Foundation
Thomson Directories Ltd
Yule Catto & Co Plc
Zurich Financial Services (UKISA) Community Trust Ltd

Funders

Balraj Krishan Marwaha MBE
Barnwood House Trust
Chiltern District Council
City of Salford
Disasters Emergency Committee
Dr H S Kohli & Kate Lynch
East of England Development Agency
Enid Linder Foundation
Epping Forest District Council
Essex Police Authority
Foresters
High Wycombe District Council
IK Foundation
Jasjyot Singh
John Coates Charitable Trust
Kent County Council
Lloyds TSB Foundation For England and Wales
London Borough of Havering
London Borough of Redbridge
Millennium Commission
New Opportunities Fund
North West Leicestershire District Council
Q Straint
Reading Crime Prevention Panel
Royal Pigeon Racing Association
S S Kohli MBE
Taylor Woodrow Charitable Trust
TENA
The Albert Hunt Trust
The Alice Ellen Cooper-Dean Charitable Foundation
The Bridge House Trust
The Carnegie United Kingdom Trust
The Cattinach Charitable Trust
The Community Fund
The Department of Health
The Department of Trade and Industry
The Dulverton Trust
The Dunhill Medical Trust
The Emmandjay Charitable Trust
The Freemasons' Grand Charity

The Gannochy Trust
The Gujarati Association of Scotland
The Headley Trust
The Highland Council and Northern Constabulary Partnership
The Home Office, Active Community Unit
The Homestead Charitable Trust
The Ingram Trust
The Jane Hodge Foundation
The Joicey Trust
The Jordan Charitable Foundation
The Kathleen Hannay Memorial Charity
The Kreitman Foundation
The Lady Sybil Julia Joseph Charitable Trust
The Lennox Hannay Charitable Trust
The Northern Rock Foundation
The Peacock Trust
The Rank Foundation
The Rufford Foundation
The Sir James Knott Trust
The Stobart Newlands Charitable Trust
The Zochonis Charitable Trust
TR Golden Charitable Trust
Viohra family

Partners

'Operation Liberal' – Derbyshire Constabulary
'Operation Litotes' – South West Police
Age Concern Calderdale
Age Concern Norfolk
Age Concern Richmond upon Thames
Alison Milne
Anchor Staying Put Sefton
Attendo Monitoring Ltd
Aylesbury Vale District Council
Blackpool Care & Repair
Bradbury Day Care Centre Hospice
British Red Cross
Burnley & Pendle Hospice
Care and Repair England
Churchill Group
Compton Hospice
Countess Mountbatten Hospice
Coventry Macmillan Palliative Care
Crisis
Cumbria County Council
Cynon Valley Crime Prevention Panel
David Metz
Dengie Project Trust
Diabetes UK
Dorset Help and Care
Durham Initiatives for Support in the Community
East Cheshire Hospice
East Lincolnshire Primary Care Trust
Elderly Accommodation Counsel
Essex Fire Brigade
Extra Care Charitable Trust
Farleigh Hospice
Golden Charter Ltd
Help and Care
Home Office Distraction Burglary Taskforce
Home Office Fear of Crime Unit
Homeless Link
Housing Associations Charitable Trust
Hull University
Imogen Blood
Jean Wormwell
Jenny Pannell
Jill Manthorpe
John Fletcher
John Taylor Hospice
Joyce Morris
Karuna Hospice
Katharine House Hospice
Keele University
Kemp Hospice
Kent Constabulary
Kent Fire Brigade
Kent Trading Standards
Leeds Distraction Burglary Initiative
Leicestershire Police
Lincolnshire Social Services
London Fire Brigade
Mary Ann Evans Hospice
Merseyside Police

Metropolitan Police
Mount Edgcombe Hospice
National Community Fire Safety Centre, ODPM
Noreen Haselden
North Surrey Primary Care Trust
North Wales Police
North Yorkshire Fire & Rescue Service
Nottingham & Nottinghamshire Age Concern
Nursing Home Fees Agency
Pakistani Resource Centre
Pauline Weinstein
Peace Hospice
Perth & Kinross Constabulary
Plymouth Homesafe
Primrose Hospice
PSS
Rob Salkeld
Rowley Regis Hospice
Royal Berkshire Fire & Rescue Service
Safer Merthyr Tydfil
Senior Citizens Forums across the country
Shakespeare Hospice
Shropshire & Mid Wales Hospice
Solihull Macmillan Nurses
South Wales Police
Southern Focus Trust
St Giles' Hospice
St Luke's Hospice
St Mary's Hospice
St Michael's Hospice
St Peter's Hospice
St Botolph's Project
Sussex Constabulary
Thames Valley Police
Thanet Community Safety Partnership
The British Institute for Human Rights
The Co-operative Bank Plc
The Countryside Agency
The Institute for Public Policy Research
The Macular Disease Society
Thrive Horticultural Therapy Charity
Tom Scharf
UK Coalition on Older Homelessness
University of the West of England (UWE)
Walsall Helping Hands
Wafford & Three Rivers against Crime
West Midlands Police

Awards

Finalist, PR Week Awards 2002
BITC Award – British Gas

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