

## Help the Aged

Financial statements for the year ended 30 April 2004  
together with Directors' and auditors' reports

Registered company number: 1263446

Registered charity number: 272786



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## **Our vision**

Our vision is of a world where older people are valued for the contribution they make to our society, involved in their local communities and fulfilled in their needs, hopes and aspirations. We believe these are their fundamental rights.

If we are to realise this vision, we need to bring about deep-seated change in many areas of our society, from government policy to our own individual attitudes and behaviour towards older people. And recognising that ageing is a global issue, we need to bring about change and provide support in less developed countries around the world.

The focus of our annual report this year is on the real and lasting changes that we have helped to bring about, working with older people and our many partner organisations. It is also about the differences we have made and the results we have achieved to improve the lives of older people.

We are working together to make sure that older people:

- have enough money to live on, not just survive;
- feel more involved and less isolated or alone;
- get equality and rights in all areas of their lives; and
- receive high quality care, when and where they need it.

This year, we also give greater emphasis to the research we undertake, which is the bedrock of our activity, to allow older people the recognition and understanding they deserve.

## Chairman's report

It gives me immense pride to present this annual report and accounts for 2003/2004 on behalf of the trustees in my last year as Chairman of Help the Aged. Over my ten years in the role, I have seen the Charity develop better governance, a sharper and more professional approach and, above all, a real and growing influence on the lives of disadvantaged older people.

I have been privileged to lead an excellent board of trustees, whose range of skills and experience have given wise counsel and strong guidance in the demanding role of running a large and complex charity.

There are many past highlights that I might reflect upon, but I think it is more appropriate to look forward and to list the priorities that I hand on to my successor.

The purpose and objectives of the Charity must remain relevant and contemporary. This calls for a deep understanding of the needs of the growing older population, through close and regular contact and through a recognition of the expanding influence of regional government in England and the national assemblies in Wales, Scotland and Northern Ireland.

Collaboration and consolidation will become more important elements in our strategy as we build on our excellent record of forging successful alliances with complementary charities to deliver services in the most effective way.

Our income must continue to grow if we are to match the increasing need of our older disadvantaged population. We must build on our achievement of doubling income over the last ten years and rise to the challenge of a more difficult fundraising environment.

Research will remain fundamental. It is essential in social services to guide our policy, advocacy and campaigning, and in biomedical research to contribute significantly to help prevent or reduce the conditions associated with ageing.

We must recognise and respond to the reality that ageing is global. We are well placed to develop our already substantial overseas work, with roots in international disaster relief; a record of assisting national organisations to prosper, most recently in Eastern Europe; and strong partnerships with Help Age International and many other organisations.

The support we get from the public is our life blood. It is vitally important that we continue to attract the support of donors prepared to fund our work. It is equally important that we are able to find people who are prepared to donate their time and talents. Volunteering in whatever dimension will remain a priority for the Charity.

It has been my privilege to serve as Chairman through a period of great change and substantial progress. Yet much remains to be done. The disadvantages suffered by many older people are real and widespread. Help the Aged will continue to play a prominent role in standing up for the rights of older people and in creating circumstances for them to live their lives in better health, contentment and comfort.

## Director General's report

This past year has reminded us that there is still much to be done to create the society that disadvantaged older people expect and deserve.

Our daily contact with groups in the community has helped us to identify significant gaps in services and information, and our research has revealed the severe limitations of public services that are disconnected from each other.

This knowledge has helped us to concentrate our work on where it has greatest impact. Help the Aged campaigns have achieved particular success this year in bringing public attention and government action to issues such as untimely deaths brought upon by cold damp homes, the lack of take-up of benefits, the need for reform of the Council Tax system, crime, fair and equal access to health and social care, and affordable transport.

Meanwhile, our work with older peoples' groups has helped them to become stronger and more able to influence local decisions so that community services are better co-ordinated and tailored to the most disadvantaged groups.

Looking to the future, in the field of biomedical research, Research into Ageing plays a significant role, admirably supported by eminent experts and by dedicated donors. The advantages of finding the means to prevent, treat and cure diseases associated with ageing are self evident.

The disadvantages of ageing are brought into sharp focus overseas where we remain deeply committed to supporting relief work. And this year, we have played a unique role in helping Eastern European countries to plan support for their own ageing populations as they become members of the European Union.

It would be an incomplete report if I did not recognise the increasingly difficult circumstances we face in the charity sector. There is a growing demand for our services, but we face the increasing costs and complexities of legislation. We face even greater competition in fundraising and the demand to be more sensitive and individual in dealing with our donors. But these are also positive factors. We have become more efficient, more focused and more demanding of our employees. We have found ways in which we can collaborate and co-operate with compatible organisations to achieve common purpose. We have become better at what we do.

My thanks to all the employees and our veritable army of volunteers – around 100,000 involved in shops, committees, events, services and Head Office – who bring such creativity, enthusiasm and dedication to Help the Aged and to the individual, corporate and statutory donors who provide the fuel on which we run.

Finally, my personal thanks to Mr Mather who retired as Chairman. He has brought wisdom, unstinting commitment and a fine sense of judgement to managing the board of trustees. He has been a tough taskmaster, a wise counsel and a compassionate mentor. I welcome most warmly his successor, Jo Connell, herself a trustee of long-standing, and I have no doubt that we will forge an effective partnership over the next few years.



## Enough money to live on

### We are working to:

- increase the state pension;
- help older people 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.

### During this year, we have:

- helped 95,000 older people across the UK to claim the benefits to which they are entitled;
- campaigned with older people's forums against the unfair Council Tax system, based on our Council Tax report. This has led the Government to rethink its approach. From April 2004, people living in properties in high Council Tax bands can get full Council Tax benefit. This will deliver an extra £6.5 million to those on low income. The Government has also agreed to simplify and standardise the application process for Council Tax benefit and reveal its new ideas for local taxation;
- continued to build a consensus on the need to increase the basic state pension to the level of the Guarantee Credit;
- undertaken significant work in some of the most deprived parts of England, using our income index to identify those in greatest need. For example, in Hartlepool, we completed a £2 million fundraising project for a new state-of-the-art hospice;
- funded seven practice projects in London, Swansea, Birmingham and Southampton to advise and help older people to get off the streets, find permanent homes, sustain their tenancies and find meaning in their lives. We also made it easier for older people to access housing advice through regional conferences, training for advisers, and a comprehensive housing directory;
- brought to public attention the scandal that every year more than 20,000 older people die in winter because of the cold. In response to our report, *Older and Colder: The Views of Older People Experiencing Difficulties Keeping Warm in Winter*, the Government is now changing its Warm Front scheme to ensure that the most vulnerable people receive central heating and home insulation;
- spent £131,000 on mobile medical units in India to help the most disadvantaged with no medical care;
- funded projects in other countries through our partner charity HelpAge International on healthcare, community development, poverty reduction, advocacy and policy work, income generation and building the capacity of organisations;
- launched five successful pilot schemes, giving benefit advice, including Council Tax benefit, to over 200 older people in some of our most deprived communities. The pilots have already helped to identify £819,000 worth of benefit entitlements that were not being claimed;
- continued to press The Pension Service to increase take-up levels of Pension Credit so that 90 per cent of people eligible are receiving the benefit within three years. We have also pressed the Government for a £5 a week pension increase for people over 80 although it remains at a derisory 25p a week, doing nothing to help older women in particular, who live in the greatest poverty;
- made our income index available to local authorities and other organisations to help them target resources to older people in the greatest need in the most deprived neighbourhoods; and
- helped older people in Mozambique to develop sustainable livelihoods by, for example, growing and selling vegetables.

### In the year ahead, we will:

- push the Government to reform the Council Tax system to link it directly to ability to pay to prevent pensioners' disposable incomes falling further;
- continue the benefits advice programme to support a further 2,000 older people to claim the benefits to which they are entitled;
- press the Government for further action and resources to tackle cold, damp homes and to significantly reduce the number of older people who die each winter of the cold. We will also provide practical tools to raise older people's awareness of the dangers of the cold and protect themselves from it;
- deliver a wider range of benefits to help some of the poorest older people around the world through our restructured Adopt a Granny scheme, including building community infrastructures, developing income-generation opportunities, running education programmes, such as HIV/AIDS awareness, and helping to grow food;
- continue to raise money to support older people caught up in disasters and emergency situations through our active involvement in the Disasters Emergency Committee; and
- help thousands more older people via the British Gas led Here to Help initiative, which targets advice and help from many organisations to the most vulnerable families in the UK.

## More involvement, less isolation

### We are working to:

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

### During this year, we have:

- persuaded the Home Office to make distraction burglary part of the recorded crime series after our SeniorSafety campaign revealed that up to 400,000 older people in the UK are targeted by bogus caller criminals each year;
- secured the homes of 20,000 older people for free through our HandyVan scheme, making a grand total of 100,000 since 1995, by fitting high quality, key operated door and window locks along with smoke alarms and door chains. We have also provided a further 1,800 people with peace of mind through our 24-hour immediate response service, SeniorLink. More than 16,000 older people now benefit from this service;
- engaged 500 practitioners about crime and older people, and encouraged them to tackle these issues in their own areas;
- provided more than 65 minibuses to local community groups and hospices through our SeniorMobility service;
- delivered a wide range of information and advice on practical issues for older people, with the distribution of 2.8 million leaflets through more than 12,000 partner organisations;
- trained more than 300 older people, many of whom have gone on to become trainers themselves, in basic PC skills, through our Information Age project launched in Northern Ireland in January 2003. The project is now being rolled out into communities throughout Northern Ireland in libraries, schools and community centres;
- worked as a founder member of the Hastings Area Community Transport Scheme to offer dial-a-ride and other services in the area's most socially deprived wards;
- extended the reach of our website to thousands more people. Building on what people tell us they want, we are providing more information on issues such as health and income, and local services and activities;
- opened ten new shops, refitted six and refurbished another 30 to raise further funds for the Charity and to widen our distribution of information and advice;
- provided advice to pensioners without bank accounts on how to cope with the new system of direct payment of pensions and benefits;
- worked with older people to challenge post office and bank closures where these will cause hardship, and to ensure that there is proper full consultation with the community before decisions are made;
- extended our SeniorLine telephone service to include letter and email, enabling many more thousands of older people to access our information and advice;
- worked with older people and their organisations in those countries preparing to join the European Union. We are supporting their national networking activities, working with partners to ensure their integration within the EU policy processes, and helping them to campaign on age discrimination; and
- launched a gardening scheme, co-ordinating the tidying up of gardens to prevent houses in unkempt surroundings being a magnet for criminals. We have funded 18 organisations and helped 3,200 older people in the first year of operation.

### In the year ahead, we will:

- extend our computer training in Northern Ireland to more venues and launch an online community, specifically for older people in the province;
- deliver a pilot project in Clacton, which will aim to bring older people in care homes closer to their surrounding communities through innovative methods of befriending, such as pets and young children, and through installing computers, providing IT training and offering volunteer support to sustain these skills;
- secure a further 25,000 older people's homes through our HandyVan scheme, connect a further 2,000 older people to our SeniorLink service, and enable a further 2,300 older people to benefit from our gardening programme;
- continue to work with older people to challenge post office and bank closures;
- campaign to improve public transport throughout the UK by drawing attention to the ridiculously inconvenient journeys that many older people face when they want to do everyday things, such as go shopping or go to hospital;
- build a strong community of older people's organisations in eight of the new member states of the European Union; and
- help older people to cope practically with the new security arrangements for making payments with cards in shops, shortly to be implemented throughout the UK.



## Equality and rights

### We are working to:

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

### During this year, we have:

- influenced proposals for the Commission for Equality and Human Rights, the single equality body being set up by Government, and legislation to ban age discrimination in employment, both expected for the end of 2006. We also continued to lobby for a ban on age discrimination in goods and services;
- issued a paper on how regional bodies can work towards age equality and encourage others to do likewise;
- campaigned to remove the age bar of 65 on receiving the Disability Living Allowance, a blatant example of the use of age to ration resources, completely regardless of need;
- launched Everyday Age Discrimination: What older people say, which tells of the devastating impact of age discrimination in the daily lives of older citizens;
- helped more than 500,000 people with information on employment for the over-50s through our subsidiary charity, Third Age Employment Network (TAEN). We worked with the Government on its Age Positive campaign to persuade employers of the value of older workers and continued to press for employment rights for older people over retirement age to provide workplace security for those who choose to work;
- celebrated older people's achievements through our annual awards event, Living Legends. We also celebrated the bonds between generations through a photographic project capturing celebrities and royalty with older and younger members of their families for the first time;
- enabled 20,000 more older people to benefit from insurance and other financial services denied to people over 70 by other providers. We have attained Which? best buy status for our home and motor insurance and partnered with EastEnders to promote our funeral planning and wills service. Our sale of more than 10,000 funeral plans enabled the Woodland Trust to plant 10,000 trees;
- helped older people to make a greater impact in their local communities by nurturing an independent network of older people's forums in our Speaking Up for Our Age programme. This has engaged more than 300,000 older people in England, Wales and Scotland through 350 forums. We helped 38 new forums to get established, provided 135 with direct training and 175 with advice;
- launched our Right to be Safe – Right to feel Safe campaign in Northern Ireland with a march and rally in Belfast, supported by the Lord Mayor. The authorities are now considering action to prevent the rising number of physical attacks against older people in the province;
- co-managed two cross party groups on ageing and human rights in Scotland to support the MSPs' development of this agenda;
- made a major contribution to the development and implementation of the strategy for older people in Wales, launched in 2003, and to the establishment of the National Partnership Forum (NPF) in 2004. We marshalled input from older people through the Speaking Up for Our Age forums and advised on the role and responsibilities of the Commissioner for Older People;
- strengthened organisations in Asia Pacific to develop and implement programmes aimed at the most disadvantaged older people; and
- provided educational materials on age awareness for primary and secondary schools across the UK. We also ran intergenerational projects to break down the barriers between older and young people, despite the Government not supporting a change to the national curriculum to cover specifically age within the citizenship syllabus.

### In the year ahead, we will:

- continue to expand and develop the Speaking Up for Our Age network of forums to enable older people to be involved in decision making locally and nationally;
- implement a programme to take into account the diversity of older people with whom we work;
- work to raise awareness in the UK of the issues facing older people in developing countries, and aim to develop campaigning opportunities around them;
- investigate age discrimination in insurance, and campaign on human rights and inequality in social care;
- press for all public bodies to have a positive duty to promote age equality in their services
- develop and launch an age awareness training toolkit, Growing Older in Wales, for use by local authorities. We also aim to bring the needs of older people to the attention of local decision-making bodies through our regional development teams;
- develop older people's organisations in Sudan to address, as a priority, the needs of vulnerable displaced persons;
- launch a new national event to raise funds for the Charity and generate greater awareness about the Charity and what we do; and
- launch an equity release service on a small scale to lead this emerging market in the ethical provision of converting house equity into income

## Quality of care

### We are working to:

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

### During this year, we have:

- launched best practice exercise guides to practitioners and older people on preventing falls, helping to save millions of pounds in health and social care costs;
- developed a programme with the Royal College of Nursing to provide 80 bursaries to nurses undertaking a BSc in gerontological nursing, increasing take-up of the course by 100 per cent;
- begun work in Scotland to investigate the NHS complaints system where it is relevant to older people, including running a conference on community care planning with the Scottish Executive;
- started a consultation exercise with the Kashmiri elder community in Leeds to look at their level of access to health and social services;
- raised the issue of age discrimination in access to screening and treatment for breast cancer, in collaboration with Cancer Research UK during Breast Cancer Awareness month, and produced a report for politicians and policy makers that tackles these issues;
- influenced the Government, as a member of the Making Decisions Alliance, to improve decision making arrangements for people lacking capacity;
- turned the spotlight on the human tragedy of elder abuse right across the UK through a programme of conferences with Action on Elder Abuse, and provided evidence to support the Health Select Committee's special report;
- worked with the Red Cross on intermediate care to develop sustainable partnerships between the voluntary and statutory sectors to support older people;
- continued to represent the interests of older people on several Department of Health working groups to secure real and tangible improvements in the delivery of the modernisation agenda across health and social care;
- begun to influence government thinking on the need to prevent people becoming prematurely dependent on others by encouraging them to take early action in mid-life to address potential areas of risk and disadvantage. This will help people to remain active and healthy for longer, and could save hundreds of millions of pounds in health, social care and benefits costs;
- geared our mail order shopping catalogue towards personal aids and rehabilitation products, such as motorised scooters specifically for older people;
- continued to raise the issues about the provision of long-term care through our Fair Rate for Care campaign. We held a conference for public and private care home providers to look at funding, regulation, staff recruitment and retention, and quality of life for older people, which is often poor;
- funded projects in Bristol, Burnley, Leeds, Stafford and Leamington to help older people make the right decision for themselves about whether to stay at home or go elsewhere; and
- continued to press the Government to review its policy on imposing fines on local authorities to help the earlier discharge of people from hospital to their own homes, and to bring health and social care provision closer together.

### In the year ahead, we will:

- press Government to complete the implementation of fall prevention services and, in time, more general exercise programmes for older people, throughout the UK;
- restore the vision of over 9,000 older people in India by providing free cataract operations;
- reduce the impact of HIV/AIDS on children and older people in many countries by helping communities and individuals with practical ways of coping;
- campaign for more chiropody and foot care services to be available locally for older people;
- campaign for and promote best practice for the earlier diagnosis and correct treatment of mental illness in older people, particularly depression;
- press the Government for more investment in social care to help older people with daily hassles, such as cooking, cleaning and gardening;
- expand our range of health information and advice, and deliver it in new ways to help people become fully engaged in the management of their own health into later life;
- lobby the Government to increase the number of long-term care beds, to increase funding, and to improve the quality of life in residential and nursing homes;
- campaign against all forms of abuse of older people and to ensure that systems are in place to protect them and their human rights; and
- press the Government to run a pilot programme of mid-life health, wealth and skills checks to establish whether this would be an effective way of preventing people from becoming dependent early on in later life, building on the Pennell mid-life health check for women, already successfully piloted in some areas of the UK.

## Recognition and understanding

### We are working to:

- establish research as the bedrock of our Charity;
- understand the needs and attitudes of older people;
- critically assess the provision of services;
- gather and present evidence to change policy, support campaigns and launch new services; and
- understand the process of ageing through biomedical research, and link it to developments in practice and policy.

### During this year, we have:

#### In our policy research

- explored the experiences of older people living in the cold and coping with fuel poverty, published in *Older and Colder*;
- launched *Fair Fares*, a report urging the Department of Transport to finance a nationwide full fare bus pass system in England to match those in the other three nations of the UK;
- published reports on the views of older homeless people, on the discharge of older people from hospital, and on older women who suffer domestic violence;
- set up groups of older people to be permanently involved in our research programme, and funded a university research support service for older people's forums; and
- published a report on the effect of Council Tax on older people. This pressed Government to change how Council Tax is calculated and how Council Tax benefit is provided. It has also helped to prompt Government for fundamental reform to link Council Tax more closely to ability to pay.

#### In our biomedical research (Research into Ageing)

- awarded three programme grants, four research fellowships, five PhD studentships, two incontinence awards and two extension awards in the field of biomedical research at a cost of nearly £2.1 million. Areas covered include stroke, age-associated memory decline, nutrition and osteoporosis, the ageing cellular process, loss of muscle strength in older people, the genetics of osteoporosis, loss of sight in older people, male hormones and cognition in older age, and the decline of immunity in older people;
- promoted the research we fund to a wider audience by running three Research into Ageing public briefings. Professor Nancy Rothwell described her research into a new treatment for stroke; the over-use of narcoleptic drugs on older people was discussed by Professor Clive Ballard; and Dr David Gunnell explained diets in childhood and in old age; and
- advised a House of Lords select committee on the case and priorities for ageing research.

#### In our wider research strategy

- contributed to the United Nations' initiative to create a research agenda for ageing in the twenty-first century in the four UN regions;
- developed a relationship with the National Collaboration on Ageing and Research to disseminate our research more widely and to encourage increased investment;
- influenced numerous international bodies through expert briefings and presentations, including the American Association of Gerontology in Higher Education, the International Association of Gerontology and the International Federation on Ageing; and
- continued to develop successful relationships with a number of universities and the Oxford Institute of Ageing.

### In the year ahead, we will:

#### In our policy research

- launch our findings on chiropody and foot care services, and on mental illness and depression among older people;
- investigate how health and social care can be brought more closely together to improve overall quality of care;
- attempt to quantify the scale of unmet care needs of older people living in their own homes;
- review how well the Government has delivered the health plans and standards for older people that it promised;
- work with universities to complete much needed research on age discrimination; and
- jointly publish a new academic journal, *Age Horizons*, with the Oxford Institute of Ageing, which looks at longer-term policy issues associated with global ageing.

#### In our biomedical research (Research into Ageing)

- continue to fund leading edge biomedical research projects and promote this research to a wide audience of academics and practitioners.

#### In our wider research strategy

- lobby to increase the proportion of government and research councils' R&D budgets spent on ageing research and on the delivery of gerontology courses in higher education;
- develop innovative specialist areas of research, including health forecasting, in collaboration with the Meteorological Office; and
- continue to develop our influencing role at national and international levels to ensure the voices of older people are heard.

# Corporate governance

## Governance, decision making

The governing body of the Charity is the Board of Trustees, which comprises 17 members and meets six times a year, including a 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 its subsidiaries and of the surplus or deficit for that period. In preparing those financial statements, the Trustees have:

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

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

### Risk and internal control

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

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

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 2003/4, 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 comply fully 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.

#### **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 13 weeks' total unrestricted resources, expended. At 30 April 2004 that level should be £14.4 million and free funds stand at £9.6 million.

The actuarial valuation of the Help the Aged pension scheme at 30 April 2004, for the purposes of FRS 17, showed a funding deficit of £5.1 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 2004/5 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 25 March 2004:

- 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.

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

At the meeting of the Board of Trustees on 25 March 2004, it was felt that in view of recent market conditions it was then currently inappropriate to sell equities. Consequently the year end investment asset allocation is 63 per cent equities: 37 per cent cash. In the light of this the Trustees are reviewing appropriate ranges for its holdings of equities and cash.

At 30 April 2004 the Charity's investment details and performance against benchmark were:

Fund	Market value 30/4/03 £'000	Additions in year £'000	Disposals in year £'000	Market value 30/4/04 £'000	Allocation on market value %	Investment allocation benchmark %	Fund return %	Index return %	Comparison against benchmark %
Charishare	5,744	32	(15)	6,730	69.43	70.00	22.10	22.40	(0.30)
BGI Aquila Funds	2,473	-	-	2,963	30.57	30.00	19.80	17.90	1.90
US	852	-	-	928	9.57	10.00	8.90	10.50	(1.60)
Europe (Ex UK)	850	-	-	1,018	10.50	10.00	19.80	22.60	(2.80)
Japan	347	-	-	504	5.20	5.00	45.40	46.60	(1.20)
Pacific Rim	424	-	-	513	5.30	5.00	21.10	25.60	(4.50)
Cash	20	-	-	53	-	-	-	-	-
	8,237	32	(15)	9,746	100.00	100.00	21.40	22.60	(1.20)

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 Ibcu'.

At 30 April 2004 the group's cash and short-term deposits stood at £6.6 million. During the year the average return made by the group's cash deposits was 3.7 per cent against an average bank rate of 3.7 per cent.

## Corporate governance (continued)

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

There is an unrealised gain on the Fledgling bond and UK equity fund units of £58,286 (2003: -£94,868), held by the charity of C E Saunders, an endowed fund of the Charity.

There is an unrealised gain on the Fledgling bond and UK equity fund units of £58,262 (2003: -£3,256), held in the Gillingham Endowed Fund.

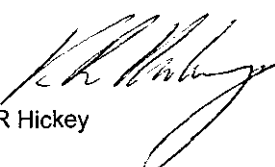
There is an unrealised gain on the Fledgling bond and UK equity fund units of £1,703 (2003: £nil), held by the charity of Miss Edna Lipson, an endowed fund of the Charity.

### Grant making policies

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

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

Approved by the Board and signed on its behalf on 14 July 2004 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 2004, 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 for 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

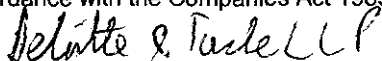
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 2004 and of the group's incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Deloitte & Touche LLP**  
**Chartered Accountants and Registered Auditors**  
**London**  
14 July 2004



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 2004

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2004 £'000	Total 2003 £'000
<b>Incoming resources</b>					
Donations and gifts		5,718	9,681	15,399	16,679
Legacies receivable		11,746	786	12,532	13,239
Community fundraising		680	—	680	654
Grants receivable		382	1,741	2,123	2,616
		<u>18,526</u>	<u>12,208</u>	<u>30,734</u>	<u>33,188</u>
<b>Activities in furtherance of the Charity's objectives</b>					
Housing		1,145	—	1,145	2,981
Community transport		—	1,531	1,531	1,843
<b>Activities for generating funds</b>					
Sale of donated and bought-in goods		29,987	—	29,987	29,240
Sale of services by joint venture	12	220	—	220	446
Merchandising and events		5,611	—	5,611	5,000
Investment income	2	557	174	731	917
Share of net interest in joint venture	12	(1)	—	(1)	(2)
<b>Other incoming resources</b>					
Net gain on disposal of tangible fixed assets		292	—	292	911
<b>Total incoming resources including share of joint venture</b>		<u>56,337</u>	<u>13,913</u>	<u>70,250</u>	<u>74,524</u>
Less share of joint venture	12	(219)	—	(219)	(444)
<b>Total incoming resources</b>		<u>56,118</u>	<u>13,913</u>	<u>70,031</u>	<u>74,080</u>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising expenditure		(7,426)	(3,431)	(10,857)	(10,313)
Cost of selling donated and bought-in goods		(26,790)	—	(26,790)	(26,216)
Merchandising and events		(5,698)	—	(5,698)	(4,974)
<b>Total cost of generating funds</b>		<u>(39,914)</u>	<u>(3,431)</u>	<u>(43,345)</u>	<u>(41,503)</u>
<b>Net incoming resources available for charitable application (before joint venture)</b>		<u>16,204</u>	<u>10,482</u>	<u>26,686</u>	<u>32,577</u>
<b>Charitable expenditure</b>					
Grants payable:	5				
UK		(3,185)	(3,222)	(6,407)	(7,487)
International		(1,423)	(3,500)	(4,923)	(5,078)
Housing		(1,958)	(18)	(1,976)	(6,256)
Housing transfer		—	—	—	(16,237)
Community transport		—	(1,608)	(1,608)	(1,941)
Information, campaigning and education		(7,989)	(685)	(8,674)	(9,270)
Programme support costs		(2,722)	(2,132)	(4,854)	(4,402)
Management and administration		(493)	(2)	(495)	(433)
Taxation	6	(17)	—	(17)	(2)
Share of taxation in joint venture	12	(1)	—	(1)	(1)
<b>Total charitable expenditure</b>		<u>(17,788)</u>	<u>(11,167)</u>	<u>(28,955)</u>	<u>(51,107)</u>
<b>Total resources expended</b>	7	<u>(57,702)</u>	<u>(14,598)</u>	<u>(72,300)</u>	<u>(92,610)</u>
<b>Net (expenditure)/income for the year before joint venture</b>		<u>(1,584)</u>	<u>(685)</u>	<u>(2,269)</u>	<u>(18,530)</u>
Share of operating (loss)/profit of joint venture	12	(17)	—	(17)	23
<b>Net (expenditure)/income for the year</b>		<u>(1,601)</u>	<u>(685)</u>	<u>(2,286)</u>	<u>(18,507)</u>
<b>Net gains/(losses) on investment assets</b>		<u>1,497</u>	<u>118</u>	<u>1,615</u>	<u>(1,973)</u>
<b>Net movement in funds</b>	10	<u>(104)</u>	<u>(567)</u>	<u>(671)</u>	<u>(20,480)</u>
<b>Fund balances brought forward at 1 May</b>	19	<u>11,352</u>	<u>3,503</u>	<u>14,855</u>	<u>35,335</u>
<b>Fund balances carried forward at 30 April</b>	19	<u>11,248</u>	<u>2,936</u>	<u>14,184</u>	<u>14,855</u>

All Restricted funds received and expended relate to income funds. The Restricted funds brought forward and carried forward also include the following endowed funds: The Charity of C E Saunders £672,387 (2003: £614,101) with an unrealised gain of £58,286 (2003: -£94,868); the Gillingham Endowed Fund £745,006 (2003: £686,744) with an unrealised gain of £58,262 (2003: -£3,256); and The Charity of Miss Edna Lipson £51,193 (2003: £49,490) with an unrealised gain of £1,703 (2003: Enil).

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 £2,286k (2003: deficit of £18,507k).

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

# Balance sheets

As at 30 April 2004

	Notes	Group		Charity	
		2004 £'000	2003 £'000	2004 £'000	2003 £'000
<b>Fixed assets</b>					
Intangible assets – Goodwill		-	80	-	-
Tangible assets					
Housing properties		8,821	7,953	8,821	7,953
Other assets		1,873	2,300	1,873	2,296
	11	10,694	10,253	10,694	10,249
Investments	12	11,236	11,543	11,313	11,620
Investment in joint venture					
- share of gross assets	12	62	166	-	-
- share of gross liabilities	12	(46)	(132)	-	-
		21,946	21,910	22,007	21,869
<b>Current assets</b>					
Property for realisation	13	307	531	307	531
Stock		450	258	-	-
<b>Debtors:</b>					
Amounts falling due within one year	14	4,193	6,176	4,742	7,483
Amounts falling due after more than one year	15	-	-	1,734	1,567
Cash at bank and in hand		6,636	7,054	3,746	3,285
		11,586	14,019	10,529	12,866
<b>Creditors:</b>					
Amounts falling due within one year	16	(11,639)	(13,683)	(10,770)	(12,488)
<b>Net current assets/(liabilities)</b>		(53)	336	(241)	378
<b>Total assets less current liabilities</b>		21,893	22,246	21,766	22,247
<b>Creditors:</b>					
Amounts falling due after more than one year	17	(2,439)	(2,350)	(2,439)	(2,350)
Provision for liabilities and charges	18	(5,270)	(5,041)	(5,270)	(5,041)
<b>Net assets</b>		14,184	14,855	14,057	14,856
<b>Funds</b>					
Endowment	19	1,468	1,350	1,468	1,350
<b>Restricted:</b>					
UK	19	4,975	5,359	4,975	5,359
International	19	(3,507)	(3,206)	(3,507)	(3,206)
<b>Unrestricted:</b>					
Designated	19	1,666	1,718	1,666	1,718
General	19	9,455	9,635	9,455	9,635
<b>Non-charitable excluding joint venture</b>	4,19	111	(35)	-	-
<b>Joint venture</b>	12	16	34	-	-
<b>Total funds</b>	19	14,184	14,855	14,057	14,856

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 14 July 2004 and signed on their behalf by:

Trustee

Trustee

# Consolidated cash flow statement

For the year ended 30 April 2004

	Notes	2004		2003	
		£'000	£'000	£'000	£'000
<b>Net cash (outflow) from operating activities</b>	21		(1,250)		(19,501)
<b>Returns on investments</b>			731		833
<b>Taxation</b>			17		2
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(2,094)		(2,841)	
Receipts on sale of tangible fixed assets		335		20,227	
Purchase of investments		(32)		(4,739)	
Receipts on sale of investments		1,954		12,656	
			163		25,303
<b>Net cash (outflow)/inflow before financing</b>			(339)		6,637
<b>Financing</b>					
Net repayment of interest-free loans	22		(79)		(6,150)
<b>(Decrease)/increase in cash</b>	22		(418)		487

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; and a discretionary projects reserve to cover specific projects that have been identified and ranked by Directors.

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 Endowed 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. The outstanding balance of goodwill brought forward has been written off during the year.

### *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 personal pension plan operated by Standard Life. The plan was started on 1 August 2002 and is open to all employees over the age of 18. The assets of the scheme are held separately from those of the Charity. The annual contribution payments are charged to the SOFA.

## Notes to the financial statements (continued)

### 2 Investment income

	2004 £'000	2003 £'000
Dividend income	307	267
Short-term deposits	255	566
Rent receivable	169	84
	<u>731</u>	<u>917</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 2004 £'000	Designated fund 2004 £'000	Total 2004 £'000	Total 2003 £'000
<b>Incoming resources</b>				
Donations and gifts	908	–	908	808
Legacies receivable	379	–	379	541
Grants and income received from trusts	86	–	86	251
Investment income	19	–	19	89
Designated fund from Help the Aged	–	1,408	1,408	1,000
<b>Total incoming resources</b>	<u>1,392</u>	<u>1,408</u>	<u>2,800</u>	<u>2,689</u>
<b>Resources expended</b>				
Cost of generating funds				
Fundraising expenditure	(556)	–	(556)	(533)
<b>Total cost of generating funds</b>	<u>(556)</u>	<u>–</u>	<u>(556)</u>	<u>(533)</u>
<b>Net incoming resources available for charitable expenditure</b>	<u>836</u>	<u>1,408</u>	<u>2,244</u>	<u>2,156</u>
<b>Charitable expenditure</b>				
Grants payable – UK	(438)	(1,535)	(1,973)	(2,371)
<b>Furtherance of Charity's objectives</b>				
Information, campaigning and education	(55)	–	(55)	(76)
Programme support costs	(110)	–	(110)	(131)
Management and administration	(2)	–	(2)	(45)
<b>Total charitable expenditure</b>	<u>(605)</u>	<u>(1,535)</u>	<u>(2,140)</u>	<u>(2,623)</u>
<b>Total resources expended</b>	<u>(1,161)</u>	<u>(1,535)</u>	<u>(2,696)</u>	<u>(3,156)</u>
<b>Net movement in funds</b>	<u>231</u>	<u>(127)</u>	<u>104</u>	<u>(467)</u>
<b>Fund balances at 1 May</b>	<u>–</u>	<u>127</u>	<u>127</u>	<u>594</u>
<b>Fund balances at 30 April</b>	<u>231</u>	<u>–</u>	<u>231</u>	<u>127</u>

## 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 Limited ceased trading on 29 February 2004 when the business was transferred to Help the Aged (Mail Order) Limited.

	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 2004 £'000	Total 2003 £'000
<b>Incoming resources</b>						
Donations and gifts	–	–	–	537	537	1,070
Merchandising and events	1,039	2,948	3,987	2,741	6,728	6,164
Investment income	–	50	50	70	120	110
<b>Total incoming resources</b>	1,039	2,998	4,037	3,348	7,385	7,344
<b>Total costs</b>	(1,108)	(2,766)	(3,874)	(2,244)	(6,118)	(5,427)
Net movement for the year	(69)	232	163	1,104	1,267	1,917
Gift Aid payable to Help the Aged	–	–	–	(1,104)	(1,104)	(1,733)
Taxation	–	(17)	(17)	–	(17)	(2)
Retained profit for the year	(69)	215	146	–	146	182
Funds brought forward at 1 May 2003	69	(110)	(41)	6	(35)	(217)
Funds carried forward at 30 April 2004	–	105	105	6	111	(35)
<b>Total assets</b>	–	2,063	2,063	1,830	3,893	4,621
<b>Total liabilities</b>	–	(1,891)	(1,891)	(1,814)	(3,705)	(4,578)

## Notes to the financial statements (continued)

### 5 Grants payable

	2004	2003
	£'000	£'000
<b>Research into Ageing (institutional research grants)</b>	1,973	2,371
<b>UK aid programmes</b>		
SeniorSafety	1,924	1,433
Community projects	1,282	2,614
Community services	525	539
Innovation and development	247	220
Other projects	456	310
<b>Total UK programmes</b>	<u>6,407</u>	<u>7,487</u>
<b>International aid programmes</b>		
Refugees and disaster	474	591
Health and medical	249	138
Gifts in kind	274	733
Support for HelpAge International	275	570
Adopt a Granny	2,145	2,480
Training and education	288	140
Poverty reduction	177	54
Community care and safety	732	168
Information and campaigning	309	204
<b>Total international programmes</b>	<u>4,923</u>	<u>5,078</u>
<b>Total charged to consolidated statement of financial activities</b>	<u>11,330</u>	<u>12,565</u>

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

### 6 Taxation

The Charity has charitable status and is thus exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity. UK Corporation Tax payable by Help the Aged (Mail Order) Limited and its wholly owned subsidiary Payroll Giving Limited amounts to £17,343 (2003: £2,354).



## Notes to the financial statements (continued)

### 7 Total resources expended

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2004 £'000	Total 2003 £'000
<b>Cost of generating funds</b>					
Fundraising expenditure	2,959	7,806	92	10,857	10,313
Cost of selling donated and bought-in goods	13,685	12,191	914	26,790	26,216
Merchandising and events	1,772	3,915	11	5,698	4,974
<b>Charitable expenditure Furtherance of Charity's objectives</b>					
Grants payable (Note 5)	608	10,660	62	11,330	12,565
Housing	309	1,546	121	1,976	6,256
Housing transfer	—	—	—	—	16,237
Community transport	—	1,608	—	1,608	1,941
Information, campaigning and education	4,874	3,664	136	8,674	9,270
Programme support costs	3,124	1,621	109	4,854	4,402
Management and administration	307	188	—	495	433
Taxation	—	17	—	17	2
Share of taxation in joint venture	—	1	—	1	1
<b>Total</b>	<b>27,638</b>	<b>43,217</b>	<b>1,445</b>	<b>72,300</b>	<b>92,610</b>

### 8 Staff numbers and emoluments

	2004			2003		
	Full time head count	Part time head count	Part time Full time equiv	Full time head count	Part time head count	Part time Full time equiv
The average number of persons employed during the year was as follows:						
Shops	766	539	239	788	516	215
Housing	—	—	—	44	121	—
Other	437	105	62	440	152	133
	<b>1,203</b>	<b>644</b>	<b>301</b>	<b>1,272</b>	<b>789</b>	<b>348</b>

	2004 £'000	2003 £'000
The aggregate emoluments of these persons were as follows:		
Salaries including benefits in kind	24,517	25,503
Social security costs	1,753	1,623
Pension contributions	1,368	1,538
	<b>27,638</b>	<b>28,664</b>

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

	2004 Number	2003 Number
£50,000 to £59,999	7	7
£60,000 to £69,999	2	1
£70,000 to £79,999	2	4
£80,000 to £89,999	4	2
£90,000 to £99,999	—	1
£100,000 to £109,999	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 one Trustee during the year was £217 (2003: three Trustees, £10,175).

Indemnity insurance is provided for Trustees, Directors and employees. Premiums paid during the year totalled £7,350 (2003: £4,830).

During the year ended 30 April 2004 the Charity awarded grants of £82,292 (2003: £1,022,574) 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.

Board of Trustees member	Details of research grant	Amount £
Professor Leslie Iversen, University of Oxford	Dr Eva Hogervorst for 'Relationship of testosterone and SHBG levels to age-related cognitive decline and dementia'	17,792
Professor Leslie Iversen, King's College London	Dr Philippa Francis-West for 'Wnt regulation of satellite cell function in the elderly'	64,500
		<hr/>
		82,292

During the year ended 30 April 2004 the Charity awarded grants of £87,268 (2003: £1,145,956) 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 Malcolm Jackson, University of Liverpool	Dr Paul Hiscott for 'Age-related macular degeneration (AMD), retinal pigment epithelial cell differentiation and osteonectin'	61,500
Professor Christopher Fry, University College London	Dr Daniel Homan for 'Differential gene expression in age-related macular Degeneration'	25,768
		<hr/>
		87,268

Jo Connell is a non-executive director of Synster Business Continuity Limited who provide business continuity services to Help the Aged under an arm's length contract 2004: £55,687 (2003: £45,663).

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 (2003: £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. During the financial year under review no payments were made to the firm (2003: £24,088 was paid). 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

	2004 £'000	2003 £'000
Net movement in funds is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,445	1,491
Amortisation of goodwill	80	6
Housing transfer	—	16,237
Profit on disposal of fixed assets	(292)	(911)
Auditor's remuneration:		
audit of charitable company	36	36
audit of subsidiaries	11	15
other	12	12
Operating lease rentals	6,379	6,250

# 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
<b>(a) Charity</b>						
<b>Cost or donated valuation</b>						
At 1 May 2003	1,921	5,250	7,731	3,680	3,008	21,590
Additions	–	990	526	486	92	2,094
Disposals	–	(34)	–	(386)	–	(420)
Transfers to properties for resale	–	(176)	–	–	–	(176)
At 30 April 2004	1,921	6,030	8,257	3,780	3,100	23,088
<b>Depreciation</b>						
At 1 May 2003	115	279	6,555	1,907	2,485	11,341
Charge for the year	19	91	342	793	196	1,441
Eliminated on disposal	–	(3)	–	(374)	–	(377)
Transfers to properties for resale	–	(11)	–	–	–	(11)
At 30 April 2004	134	356	6,897	2,326	2,681	12,394
<b>Net book value</b>						
At 30 April 2004	1,787	5,674	1,360	1,454	419	10,694
At 30 April 2003	1,806	4,971	1,176	1,773	523	10,249
<b>(b) Group</b>						
<b>Cost or donated valuation</b>						
At 1 May 2003	1,921	5,250	7,731	3,680	3,029	21,611
Additions	–	990	526	486	92	2,094
Disposals	–	(34)	–	(386)	–	(420)
Transfers to properties for resale	–	(176)	–	–	–	(176)
At 30 April 2004	1,921	6,030	8,257	3,780	3,121	23,109
<b>Depreciation</b>						
At 1 May 2003	115	279	6,555	1,907	2,502	11,358
Charge for the year	19	91	342	793	200	1,445
Eliminated on disposal	–	(3)	–	(374)	–	(377)
Transfers to properties for resale	–	(11)	–	–	–	(11)
At 30 April 2004	134	356	6,897	2,326	2,702	12,415
<b>Net book value</b>						
At 30 April 2004	1,787	5,674	1,360	1,454	419	10,694
At 30 April 2003	1,806	4,971	1,176	1,773	527	10,253

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

	2004 £'000	2003 £'000
Freeholds	1,609	1,649
Long leaseholds	178	157
	<u>1,787</u>	<u>1,806</u>

## 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
<b>Market value</b>							
At 1 May 2003	1,941	8,237	1,350	15	11,543	77	11,620
Additions	–	32	–	–	32	–	32
Disposals	(1,939)	(15)	–	–	(1,954)	–	(1,954)
Net investment gains/(losses)	–	1,497	118	–	1,615	–	1,615
At 30 April 2004	2	9,751	1,468	15	11,236	77	11,313
<b>Historic value at 30 April 2004</b>	2	10,042	1,228	15	11,287	77	11,364

#### Listed investments:

Merrill Lynch – Charishare Common Investment Fund – UK equities	6,783
Barclays Global Investors – Aquila US Equity Income	928
– Aquila European Equity Income	1,018
– Aquila Japanese Equity Income	504
– Aquila Pacific Rim Equity Income	513
Other	5
	<u>9,751</u>

#### Endowed funds:

The Charity of C E Saunders	672
Charity of Gillingham Endowed Fund	745
The Charity of Miss Edna Lipson	51
	<u>1,468</u>

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)

	2004 £'000	2003 £'000
<b>Share of group's:</b>		
Incoming resources from sale of services	220	446
Cost of generating funds	(212)	(421)
Net interest payable	(1)	(2)
	<u>7</u>	<u>23</u>
 Taxation	(1)	(1)
Gift Aid	(24)	—
Net incoming resources	<u>(18)</u>	<u>22</u>
 <b>Share of assets:</b>		
Fixed assets	—	13
Current assets	62	153
	<u>62</u>	<u>166</u>
 <b>Share of liabilities</b>	<u>(46)</u>	<u>(132)</u>
	16	34
Analysed as:		
Unrestricted funds	<u>16</u>	<u>34</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

\* A proposal to strike off Help the Aged Charity Lotteries Limited has been filed at Companies House and an announcement was placed in the *London Gazette* on 2 March 2004.

\* A proposal to strike off Help the Aged Housing Appeal Limited has been filed at Companies House and an announcement was placed in the *London Gazette* on 2 March 2004.

### 13 Property for realisation

	Group		Charity	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Gifted housing and freehold	<u>307</u>	<u>531</u>	<u>307</u>	<u>531</u>

## Notes to the financial statements (continued)

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

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Other debtors	743	501	430	170
Social security and other taxes	280	678	264	580
Amounts due from subsidiary undertakings	—	—	1,104	1,805
Prepayments and accrued income	3,170	4,997	2,944	4,928
	<u>4,193</u>	<u>6,176</u>	<u>4,742</u>	<u>7,483</u>

The Charity has been notified of legacies amounting to £5.2 million (2003: £5.4 million) which have not been recognised as income at 30 April 2004 and these will be included in future periods.

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

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Amounts due from subsidiary undertakings	—	—	1,734	1,567

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

	Group		Charity	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Short-term grants	3,035	2,947	3,035	2,947
Interest-free loans from housing residents repayable on change of occupancy	70	70	70	70
Corporation tax	17	6	—	—
Other creditors	6,208	7,905	5,644	7,042
Accrued expenses	2,309	2,755	2,021	2,429
	<u>11,639</u>	<u>13,683</u>	<u>10,770</u>	<u>12,488</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	
	2004	2003	2004	2003
	£'000	£'000	£'000	£'000
Long-term grants	2,212	2,175	2,212	2,175
Interest-free loans from housing residents repayable on change of occupancy	96	175	96	175
Operating lease incentives	131	—	131	—
	<u>2,439</u>	<u>2,350</u>	<u>2,439</u>	<u>2,350</u>

### 18 Provision for liabilities and charges

#### Charity and Group

	£'000
Care provision	
At 1 May 2003	5,041
Utilised in year	(1,076)
Increase in provision charged to statement of financial activities	1,305
At 30 April 2004	<u>5,270</u>

# Notes to the financial statements (continued)

## 19 Group statement of funds

	Balance 30 April 2003 £'000	Incoming resources and gains £'000	Expenditure, losses and transfers £'000	Balance 30 April 2004 £'000
<b>Endowment funds</b>				
The Gillingham Endowed Fund	687	58	—	745
The Charity of C E Saunders	614	58	—	672
The Charity of Miss Edna Lipson	49	2	—	51
	<u>1,350</u>	<u>118</u>	<u>—</u>	<u>1,468</u>
<b>Restricted funds</b>				
<b>UK aid programmes</b>				
Research into Ageing (Note 3)	—	1,392	(1,161)	231
Day centres	26	16	(3)	39
Hospices and nursing homes	31	—	(31)	—
Community transport	390	1,549	(1,608)	331
Housing and care products	237	47	(18)	266
SeniorLink telephones	534	106	(108)	532
Heating grants	—	6	(6)	—
Gifts in kind	—	123	(123)	—
Community projects	2,172	3,721	(3,932)	1,961
Home safety	1,169	736	(701)	1,204
Elderly homelessness	57	9	(63)	3
Other projects	743	1,137	(1,472)	408
	<u>5,359</u>	<u>8,842</u>	<u>(9,226)</u>	<u>4,975</u>
<b>International aid programmes</b>				
Refugees and disaster	218	435	(362)	291
Gifts in kind	—	274	(274)	—
Adopt a Granny	(1,838)	2,827	(3,079)	(2,090)
Other projects	(1,586)	1,535	(1,657)	(1,708)
	<u>(3,206)</u>	<u>5,071</u>	<u>(5,372)</u>	<u>(3,507)</u>
<b>Total restricted and endowment funds</b>	<u>3,503</u>	<u>14,031</u>	<u>(14,598)</u>	<u>2,936</u>
<b>Unrestricted funds:</b>				
<b>Designated funds</b>				
Research into Ageing	127	1,408	(1,535)	—
Property maintenance funds	297	—	17	314
Major works reserve	231	—	100	331
Development fund	1,063	—	(42)	1,021
	<u>1,718</u>	<u>1,408</u>	<u>(1,460)</u>	<u>1,666</u>
<b>General funds</b>	9,635	56,061	(56,241)	9,455
<b>Non-charitable funds excluding joint venture</b>	(35)	146	—	111
Joint venture	34	—	(18)	16
<b>Total unrestricted funds</b>	<u>11,352</u>	<u>57,615</u>	<u>(57,719)</u>	<u>11,248</u>
<b>Total funds</b>	<u>14,855</u>	<u>71,646</u>	<u>(72,317)</u>	<u>14,184</u>

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

- £10,000 from Transco for the Gardening Programme
- £13,250 from Grand Charity for the Gardening Programme
- £10,000 from the Lloyds TSB Foundation for the Gardening Programme
- £13,000 from the Dulverton Trust for the Gardening Programme
- £26,769 from the Royal Society for Nature Conservation for the Gardening Programme
- £200,000 from the Department of Health for the Intermediate Care Programme
- £3,000 from the Ingram Trust for the Intermediate Care Programme
- £246,634 from the Community Fund for Speaking Up for Our Age
- £5,000 from Valentine Trust for Benefits Advice, Dorset
- £10,000 from Lloyds TSB for Benefits Advice, Gwyneth
- £6,000 from Lloyds TSB for Rural Development
- £4,000 from Carnegie Trust for Rural Development
- £18,500 from the Laing Foundation for Nottinghamshire SeniorSafety
- £3,000 from the Farr Charity Trust for Nottinghamshire SeniorSafety
- £22,380 from New Opportunities Fund for SeniorLink Hospice Home Care
- £15,000 from the Department of Health for Dignity on the Ward
- £5,000 from the Kleinwort Charitable trust for the HandyVan Programme
- £1,000 from the Chelsea 1994 Trust for the HandyVan Programme
- £20,000 from the Northern Rock Foundation for Durham HandyVans
- £5,035 from the Lloyds TSB Foundation for North East Development HandyVans

- £5,000 from the Merseyside Community Foundation for Merseyside HandyVans
- £2,000 from the H. Rawlings Trust for Merseyside HandyVans
- £6,000 from the Jane Hodge Foundation for Cardiff HandyVans
- £25,000 from the Legal & General for Cardiff HandyVans
- £10,700 from the Eveson Charitable Trust for Birmingham HandyVans
- £1,500 from the Woodlands Trust for Birmingham Handy Vans
- £5,000 from the Adint Charitable Trust for Thanet Bogus Caller
- £36,500 from the Dunhill Medical Trust for Medical research grants
- £10,000 from the Peacock Charitable Trust for Research into Ageing
- £10,000 from Donald Forrester Trust for Research into Ageing
- £20,000 from the Rosetrees Trust for Medical research grants
- £20,000 from the Emmandjay Charitable Trust for Medical research grants
- £8,000 from the F H Muirhead Charitable Trust for Medical research grants
- £5,000 from the Childwick Trust for Medical research grants
- £5,000 from the Constance Travis Charitable Trust for Medical research grants
- £5,000 from the Kirby Lang Foundation for Medical research grants
- £51,206 from the Community Fund for the project Into the Future

In previous financial years the Community Fund has also funded a medical research project with total cost of £560k. All receipts were treated as restricted income and spent solely on the project

## Notes to the financial statements (continued)

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

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 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.

### 20 Analysis of group net assets between funds

	Unrestricted funds £'000	Restricted and endowment funds £'000	Total funds £'000
<b>Fund balances at 30 April 2004 are represented by:</b>			
Tangible fixed assets	10,694	–	10,694
Investments	9,784	1,468	11,252
Current assets	10,118	1,468	11,586
Current liabilities	(11,639)	–	(11,639)
Long term liabilities	(7,709)	–	(7,709)
<b>Total net assets</b>	<b>11,248</b>	<b>2,936</b>	<b>14,184</b>

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

	2004 £'000	2003 £'000
<b>Reconciliation of net expenditure before joint venture for the year to net cash outflow from operating activities:</b>		
Net expenditure for the year before joint venture	(2,269)	(18,530)
Depreciation and amortisation	1,525	1,491
Profit on sale of tangible fixed assets	(292)	(911)
Transfers from fixed assets to property for realisation	165	531
Decrease/(increase) in property for realisation	224	(376)
(Increase)/decrease in stocks	(192)	5
Decrease/(increase) in debtors	1,983	(1,880)
(Decrease)/increase in creditors	(1,892)	1,099
Increase/(decrease) in provisions	229	(97)
Investment income	(731)	(833)
	<b>(1,250)</b>	<b>(19,501)</b>

### 22 Analysis of net funds

	At 1 May 2003 £'000	Cashflow £'000	At 30 April 2004 £'000
Cash at bank and in hand	7,054	(418)	6,636
Interest-free loans	(245)	79	(166)
	<b>6,809</b>	<b>(339)</b>	<b>6,470</b>



## Notes to the financial statements (continued)

### 23 Pension costs

The Charity operates two pension schemes. One of these pension schemes is a defined benefit pension scheme, which was closed to new entrants on 31 July 2002. Within the defined benefit pension scheme, retirement benefits are based on employees' final remuneration and length of service. The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method on the basis of 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 £1,279,000 (2003: £1,484,000).

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 six 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 defined 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 actuarial valuation for 30 September 2003 is currently being undertaken).

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 three per cent and eight per cent respectively.

The pension cost to the Charity was £88,038 (2003: £28,000).

#### *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 third 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 2004 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:

	2004 %pa	2003 %pa	2002 %pa
Inflation	2.50	2.50	2.50
Rate of increase in salaries	4.00	4.00	4.50
Rate of increase for pensions in payment and deferred pensions	2.50	2.50	2.50
Discount rate	5.60	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:

	2004		2003		2002	
	Fair value	Expected rate of return % pa	Fair value	Expected rate of return % pa	Fair value	Expected rate of return % pa
	£'000		£'000		£'000	
Equities	16,876	8.00	13,278	8.80	14,652	7.90
Bonds	5,364	5.00	4,670	4.60	3,964	5.25
Cash	783	4.00	806	3.75	817	4.00
<b>Total</b>	<b>23,023</b>	<b>7.17</b>	<b>18,754</b>	<b>7.54</b>	<b>19,433</b>	<b>7.20</b>

An analysis of the amounts that would have been charged to the statement of financial activities under FRS 17 is as follows:

	2004 £'000
<b>Amounts charged to charitable expenditure and cost of generating funds:</b>	
Current service cost	1,542
	<b>1,542</b>
<b>Amounts credited or charged to pension finance income:</b>	
Interest cost	1,503
Expected return on assets	(1,447)
<b>Pension finance income</b>	<b>56</b>
<b>Total</b>	<b>1,598</b>

	2004 £'000
Actual return less expected return on assets	1,933
Gains arising on liabilities	689
Gains on changes in assumptions underlying liabilities	3
<b>Actuarial gains on defined benefit pension scheme</b>	<b>2,625</b>

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

	2004
<b>Gains on scheme assets (actual return less expected return on assets):</b>	
Amount (£'000)	1,933
% of scheme assets at end of year	8.4%
<b>Experience gains arising on scheme liabilities:</b>	
Amount (£'000)	689
% of scheme liabilities at end of year	2.4%
<b>Actuarial gain on defined benefit pension scheme:</b>	
Amount (£'000)	2,625
% of scheme liabilities at end of year	9.3%

## Notes to the financial statements (continued)

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

	2004 £'000	2003 £'000	2002 £'000
Scheme assets	23,023	18,754	19,433
Scheme liabilities	(28,161)	(26,318)	(21,785)
<b>Pension scheme deficit</b>	<b>(5,138)</b>	<b>(7,564)</b>	<b>(2,352)</b>
General reserve excluding pension liability	9,455	9,635	16,374
<b>Total</b>	<b>4,317</b>	<b>2,071</b>	<b>14,022</b>

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

	£'000
Pension scheme deficit at 1 May 2003	(7,564)
Current service cost (net of member contributions)	(1,542)
Employer contributions	1,399
Pension finance income	(56)
Actuarial gains on defined benefit scheme	2,625
	<b>(5,138)</b>

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 2003 were:

	Active employees	Deferred pensioners	Pensioners
Help the Aged	499	601	124
HelpAge International	25	49	2
	<b>524</b>	<b>650</b>	<b>126</b>

### 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:

	2004 £'000	2003 £'000
Within one year	105	250
One to five years	1,358	827
After five years	4,918	5,105
	<b>6,381</b>	<b>6,182</b>

### 26 Contingent liability

Lloyds TSB Bank Plc has 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 £6,710 (2003: £1,790) to The Prime Initiative under the guarantee. The liability on the guarantee at 30 April 2004 was zero (2003: zero).

## Trustees and advisers

### Registered office

207-221 Pentonville Road  
London N1 9UZ

### Patron

HRH The Prince of Wales

### Chairman of the Board of Trustees

John D Mather <sup>1,3,4,5</sup>

### Vice Presidents

Princess Helena Mountafian MBE  
The Duke of Devonshire MC PC <sup>7</sup>  
Marchioness of Dufferin and Ava

### Honorary Treasurer

The Duchess of Norfolk

### Board of Trustees

Priscilla Campbell Allen <sup>1</sup> (resigned 25 September 2003)  
Professor Gary Andrews (resigned 29 June 2004)  
Henry Bowrey <sup>1,2</sup>  
Dr Beverly Castleton <sup>1</sup>  
Jo Connell <sup>1,2,3,4,5</sup>  
Anna Coote  
June Crown (appointed December 2003)  
Brian Fox CB <sup>5</sup>  
Anne Harris CBE (resigned 25 September 2003)  
Professor Leslie Iversen  
Professor Oliver James  
William Keates CBE <sup>1,2,5</sup>  
Rosemary Kelly  
Trevor Larman <sup>1,2,5</sup>  
William Menzies-Wilson CBE <sup>1,4</sup>  
Michael Roberts <sup>1,2,5</sup>  
Kevin Williams <sup>1,4</sup>  
Christopher Woodbridge <sup>1,2,5</sup>  
Angus Young <sup>1,5</sup>

### Director General

Michael Lake CBE

### Director of Community Services

Carol Ainslie

### Director of Policy, Research & International Development

Paul Cann

### Director of Fundraising & Marketing

Anne Grahamslaw

### Director of Finance

Keith Hickey

### Director of Communications & Marketing

Steve Jones

### Director of Human Resources

Abi Lauder

### Director of Retail Operations

Howard Stirrup

### Research into Ageing <sup>6</sup>

### President

HRH The Duchess of Gloucester GCVO

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

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

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

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

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

<sup>6</sup> Research into Ageing is a special trust of Help the Aged

<sup>7</sup> The Duke of Devonshire MC PC died on 3 May 2004

### Auditors

Deloitte & Touche LLP  
Hill House  
1 Little New Street  
London EC4A 3TR

### Solicitors

Wedlake Bell  
16 Bedford Street  
Covent Garden  
London WC2E 9HF

### Bankers

Barclays Bank Plc  
Pall Mall Corporate Banking Group  
50 Pall Mall  
PO Box 15162  
London SW1A 1QB

### Investment Managers

Barclays Global Investors Limited  
Murray House  
1 Royal Mint Court  
London EC3N 4HH

Merrill Lynch Investment Managers Limited  
33 King William Street  
London EC4R 9AS

JP Morgan Fleming Asset Management  
Finsbury Dials  
20 Finsbury Street  
London EC2Y 9A

As required by the Articles of Association, Henry Bowrey, Professor Leslie Iversen, Professor Oliver James, John Mather, William Menzies-Wilson CBE and Kevin Williams retire by rotation and, being eligible, offer themselves for re-election at the AGM. In accordance with the Memorandum and Articles, June Crown (appointed during the year) retires and, being eligible, offers herself for re-election.

The Charity would like to record its thanks to Priscilla Campbell Allen who retired as a Trustee on 25 September 2003 after 19 years of service to the Charity and to Anne Harris CBE who also retired as a Trustee on 25 September 2003 after 17 years of service to the Charity. The Charity would also like to record its thanks to Professor Gary Andrews who retired as a Trustee on 29 June 2004 after three 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  
Fair Rate For Care (FRFC)  
National Association for Providers of Activities in Care (NAPA)

### 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

Abbey  
Accutec UK  
AstraZeneca plc  
A B S Scotland  
Bank of England  
Barloworld Plc  
Barclays Bank Plc  
BBC Television  
Beachcroft Wansbroughs  
Bloomberg  
British Gas  
BT  
Chalmers Communications  
Cheapside Carriages  
Connswater Shopping Centre  
Clifford Chance  
CMS Cameron McKenna  
cScape  
Dale Farm Ltd  
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David Nieper Ltd  
DLA  
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GKN plc  
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Halifax plc  
Harlequin Leisure Group Ltd  
ICAP Plc  
Imperial Tobacco Limited  
Jaguar Cars Ltd  
John Guest Ltd  
John Lewis Partnership Plc  
Keyline Brands Limited  
Kleinwort Benson (Guernsey) Trustees Ltd  
Leeds & Holbeck Building Society  
Legal & General Assurance Society Ltd  
Lloyd's Charities Trust, Lloyd's of London  
London Graphic Centre  
Makro Self Service Wholesalers Ltd  
Manek Investment Management Ltd  
Mars UK  
Masterfoods plc  
Mazars  
McCarthy & Stone  
Mobile News  
MBP  
NM Rothschild & Sons Ltd  
Novartis Pharmaceuticals UK  
Patak's Foods Ltd  
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Reebok UK  
Saga Group Ltd  
Shields Environmental plc  
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Star Cargo plc  
The Nationwide Foundation  
The Orr Macintosh Foundation  
Transco  
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Yorkshire Bank  
Yule Catto & Co Plc  
Zurich Financial Services (UKISA) Community Trust Ltd

#### Funders

Adint Charitable Trust  
Advice N.I.  
Blackpool Borough Council  
Cardiff Local Committee  
Chelmsford Borough Council  
Chiltern District Council  
City of Salford  
Community Foundation for Merseyside  
Craigavon & Banbridge Health & Social Services Trust  
Department of Social Development  
Department of Health and Social Services and Public Safety  
Derbyshire County Council  
Dorset Local Committee  
Donald Forrester Trust  
Epping Forest District Council  
Essex County Council  
Ethnic Media Group  
The Foresters Charity Stewards UK Trust  
Garfield Weston Foundation  
HBOS  
High Wycombe District Council  
Kent County Council  
Lloyds TSB Foundation For England and Wales  
London Borough of Havering  
London Borough of Hackney  
London Borough of Lambeth

London Borough of Redbridge  
London Fire Brigade (LFPEA)  
New Opportunities Fund  
Newry and Mourne Health & Social Services Trust  
North West Leicestershire District Council  
Northern Health & Social Services Board  
Q Straint  
Reading Borough Council  
Reading Crime Prevention Panel  
Rosetrees Trust  
Royal Berkshire Fire & Rescue Service  
South & East Belfast Health & Social Services Trust  
Southend Borough Council  
Southern Buckinghamshire Council  
The Bridge House Trust  
The Carnegie United Kingdom Trust  
The Childwick Trust  
The Community Fund  
The Community Fund Northern Ireland  
The Constance Travis Charitable Trust  
The Department of Health  
The Department of Trade and Industry  
The Dulverton Trust  
The Dunhill Medical Trust  
Edwin George Robinson Charitable Trust  
The Emmamjay Charitable Trust  
The Eveson Charitable Trust  
The F H Muirhead Charitable Trust  
The Freemasons' Grand Charity  
The Ingram Trust  
The Jane Hodge Foundation  
The John Thomas Kennedy Charitable Foundation  
The Joicey Trust  
The Kirby Laing Foundation  
The Kreitman Foundation  
The Lady Sybil Julia Joseph Charitable Trust  
The Lennox Hannay Charitable Trust  
The Northern Rock Foundation  
The Oglesby Charitable Trust  
The Peacock Charitable Trust  
The Rank Foundation  
The Rufford Foundation  
The Stobart Newlands Charitable Trust  
The Zochonis Charitable Trust  
Vohra family  
West Berkshire Borough Council  
Wokingham Borough Council  
Welsh Assembly Government (Strategy for Older People)

#### Partners

'Operation Liberal' - Derbyshire Constabulary  
'Operation Litotes' - South West Police  
Age Alliance Wales  
Age Concern Cymru  
Age Concern Dorchester  
Age Concern Gwynedd & Merioneth  
Age Concern Nottingham & Nottinghamshire  
Age Concern Rotherham  
Anchor Homes - Staying Put division  
Ards Borough Council  
Attendo Monitoring Ltd  
Anti-Poverty Network Cymru  
Attendo Response Ltd  
Aylesbury Vale District Council  
BASE Cymru  
Beth Johnson Foundation  
Bionow, North West Development Agency  
Blackbaud  
Blackpool Care & Repair  
Bradbury Day Care Centre Hospice  
Burnley & Pendle Hospice  
Caerphilly County Borough Council  
Cardiff County Council  
Care & Repair Cardiff  
Care & Repair Cymru  
Carlisle & Eden Crime & Disorder Partnership  
Carmarthenshire County Council  
Ceredigion County Council  
Coalition on Charging Cymru  
Community Safety Unit (Northern Ireland Office)  
Compton Hospice  
Countess Mountbatten Hospice  
Coventry Macmillan Palliative Care  
Cynon Valley Crime Prevention Panel  
Dame Sandra Burslem OBE and the Manchester Metropolitan University  
DayBreak Wales  
Denbighshire County Council  
Dengie Project Trust  
Diabetes UK  
Dr Malcolm McVicar and the University of Central Lancashire  
Durham Initiatives for Support in the Community  
East Cheshire Hospice  
Essex Fire Brigade  
Farleigh Hospice  
Flintshire County Council  
Golden Charter Ltd  
Granton Information Centre  
Guinness Trust - Tending Home Improvement Agency  
Gwynedd County Council

Haimet  
Help and Care  
HM Prison Bullingdon  
Home Office Distraction Burglary Taskforce  
Home Office Fear of Crime Unit  
Hyde Housing Association  
John Taylor Hospice  
Karuna Hospice  
Katharine House Hospice  
Kemp Hospice  
Kent Constabulary  
Kent Fire Brigade  
Kent Trading Standards  
Leeds Distraction Burglary Initiative  
Leicestershire Police  
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Mary Ann Evans Hospice  
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Monmouthshire County Council  
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National Community Fire Safety Centre, ODPM  
Neath Port Talbot County Borough Council  
NHFA Ltd  
North Surrey Primary Care Trust  
North Yorkshire Fire & Rescue Service  
O Ddrws i Ddrws (Gwynedd)  
Older people's independent forums across Wales  
Page & Moy Limited  
Peace Hospice  
Pembrokeshire County Council  
Perth & Kinross Constabulary  
Pinnacle Insurance plc  
Plymouth Homesafe  
Police Service Northern Ireland Community Safety Branch  
Powys County Council  
Primrose Hospice  
Professor Drummond Bone and the University of Liverpool  
Professor Sir Martin Harris CBE, DL and the University of Manchester  
Professor Paul Welings and Lancaster University  
Professor Peter Toyne DL  
Rasharkin Community Association  
RBS Insurance  
Research into Ageing North West Support Group  
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Royal Berkshire Fire & Rescue Service  
Royal College of Nursing  
Safer Merthyr Tydfil  
'Ty Saff' - Safer Swansea  
Shakespeare Hospice  
Shropshire & Mid Wales Hospice  
Solihull Macmillan Nurses  
South Wales Police  
St Giles's Hospice  
St Luke's Hospice  
St Mary's Hospice  
St Michael's Hospice  
St Peter's Hospice  
Sussex Constabulary  
Swansea, City and County of Ty Saff, Swansea  
Thames Valley Police  
Thanet Community Safety Partnership  
The Co-operative Bank Plc  
The Lord Wade of Chorlton  
The Macular Disease Society  
UKI Partnerships  
UNAT Direct Insurance Management Limited  
Vale of Glamorgan Council  
Wales Funders Forum  
Walsall Helping Hands  
Watford & Three Rivers against Crime  
Welsh Assembly Government  
West Midlands Police  
West View Advice and Resource Centre  
Wrexham County Borough Council  
Ynys Môn County Council  
Zurich Financial Services

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