

**THE PRE-RETIREMENT ASSOCIATION**  
(limited by guarantee and operating as Life Academy)

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2008**

**Company Number: 2194800**  
**Charity Number: 801246**

**CMB Partnership**  
**Chartered Accountants**  
**Chapel House**  
**1 Chapel Street**  
**Guildford**  
**Surrey GU1 3UH**

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**THE PRE-RETIREMENT ASSOCIATION**

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**ENDED 31 MARCH 2008**

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## **THE PRE-RETIREMENT ASSOCIATION**

### **Legal and Administrative Information**

#### **BOARD OF TRUSTEES**

A M Pickering, CBE (Chairman)  
S H C Baynes (appointed 10.04.07)  
A J Bennet  
R H Bridges  
R Collinge  
T B J Crossley (appointed 01.09.07)  
P A Green (appointed 13.04.07)  
S M Howlett  
A J Munro (appointed 28.06.07)  
P J Scales, OBE  
T H Taylor

#### **SECRETARY**

S N Martin, RD

#### **CHIEF EXECUTIVE**

G S Royston

#### **REGISTERED OFFICE**

9 Chesham Road  
GUILDFORD  
Surrey GU1 3LS

#### **AUDITORS**

C M B Partnership  
Chartered Accountants  
Chapel House  
1 Chapel Street  
GUILDFORD  
Surrey GU1 3UH

#### **SOLICITORS**

Thomas Eggar  
76 Shoe Lane  
LONDON EC4A 3JB

#### **BANKERS**

HSBC  
12A North Street  
GUILDFORD  
Surrey GU1 4AF

**THE PRE-RETIREMENT ASSOCIATION**

**STANDING COMMITTEE**

**PROFESSIONAL INSTITUTE BOARD**

W Tyler (Chair)  
M Bloomfield  
P M Cattley  
H D Gilbert  
B King  
W J Koch  
A M Pickering  
Dr C H A Syms  
A Withnall

## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

The Trustees present their report and the audited financial statements for the charity for the year ended 31 March 2008.

#### **CONSTITUTION**

The Pre-Retirement Association (PRA) is a registered charity under the Charities Act 1993 and a company limited by guarantee. It is governed by its Memorandum and Articles of Association. Charity registration number 801246. Company registration number 2194800.

In November 2005 the charity adopted the working title of 'Life Academy'.

On a winding up of the company, every member of the company can be required to contribute an amount not exceeding £1.

Legal and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements and with the requirements of the Memorandum and Articles of Association of the charity. The Trustees have adopted the provisions set forth in the Statement of Recommended Practice for Charities (SORP 2005) issued in March 2005.

#### **OBJECT OF THE CHARITY**

The principal object of the charity is the provision of education, planning and support services for those preparing for retirement from full time employment and to act as the national focus for the development of this pre-retirement education, mid-life planning and life planning work.

#### **ORGANISATION**

A Board of Trustees, of up to twelve members, meets quarterly to administer the charity. The Board has approved the 5 year Business Plan and vision for the charity. The Board also approves the annual Budget and activities for the coming year and receives a quarterly report on performance and achievements. The Board determines the financial strategy and takes major financial decisions. There is an advisory sub-committee containing members other than Trustees for educational services. A Chief Executive is appointed by the Trustees to manage the operations of the charity.

#### **APPOINTMENT OF TRUSTEES**

The Board of Trustees is responsible for the appointment of new Trustees. The Board identifies the knowledge and experience required of a new Trustee and makes an appropriate search for an appropriate individual who meets the criteria. The person identified joins the Board at the invitation of the Board of Trustees and submits himself/herself for election by the members at the next Annual General Meeting. New Trustees undergo an informal induction by the Chairman and Chief Executive.

## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

#### **INVESTMENT POWERS**

Under the Memorandum of Association, the Board of Trustees has power to make investments as may be thought fit, subject to conditions laid down by law. The Endowment Fund investment was made in compliance with the donor's wishes and will not be varied unless very strong reasons to change were to prevail.

For other investments it is the policy to maintain value in "real" terms over a medium term period, yet recognising market movements in the UK All Share Index. A spread of risk over three Unit Trusts is considered adequate for the sum involved, whilst the level of income is subordinate to the main purpose. There has been a fall in the market value of the investments during the year reflecting a similar decline in the UK Share Index.

#### **RELATED PARTNERS**

There are a number of affiliated Local Associations, who are members of the Association. They are independent organisations governed by their own constitutions. The charity is an Associated Institution of the University of Surrey. The University validates some of the charity's educational courses. The charity is also in receipt of funding from the Department of Innovation, Universities and Skills to raise and maintain standards in life and retirement planning.

#### **OBJECTIVES AND ACTIVITIES; ACHIEVEMENTS AND PERFORMANCE**

In April 2004 the Trustees conducted a strategic review of the charity. They concluded that the need for the provision of education, planning and support services for those preparing for retirement had never been greater and the charity had knowledge and expertise that should be made available more widely. The Trustees approved the Business Plan in February 2005 that used the Trustee's review as the basis and recognised the demographic drivers of change and the changing nature of retirement, retirement planning, pensions and work for older workers.

The Business Plan set out a strategy to broaden the range of activities in which the charity was engaged to reflect these changes, to raise the profile and reach of the charity so that more individuals would benefit from its knowledge and expertise, and to achieve the necessary increase in income to provide financial stability for the charity. 2007/2008 was the third year of the new strategy.

In order to reflect the broader range of work on which the charity was engaged the Trustees determined the charity should adopt the new working title of Life Academy. The new working title was adopted in November 2005.

The Trustees reviewed the Business Plan and overall strategy in November 2006 and February 2007. The Trustees concluded that the broad strategy and philosophy of the Business Plan remain valid and intact and that going forward the key activity was to raise the brand awareness and profile of Life Academy and continue to grow our activities and income. For 2007/08 the Trustees set a Budget that sought to retain a neutral cash position over the year.

## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

We delivered the post graduate programme with intakes of students to Module 1 in October 2007 and February 2008. In September 2007 we launched the link with the Chartered Insurance Institute (CII) and in October we welcomed the first CII Chartered Financial Planners onto the MSc course. We took a stand at the CII Personal Finance Society Annual Conference in Birmingham in November and it has been agreed that in 2008 the Personal Finance Society of the CII will run two events to increase awareness of Life Planning for CII members. We also gained Centre Approval and accreditation of the Level 3 Introduction of Life Planning programme from the Open College Network. We are grateful to the Department of Innovation, Universities and Skills for their continuing support for our professional programmes.

During 2007 the arrangements for Continuing Professional Development of our Professional members was revised and after consultation with the membership the new arrangement were introduced in January 2008.

We continue to provide open and in house pre-retirement courses. In addition to meeting the needs of our own clients we were already delivering to clients of Friends Provident and The Pensions Trust. Working in partnership with others is a cornerstone of our strategy for ensuring our understanding of the transitions faced by individuals approaching retirement is available as widely as possible. We were delighted to extend our partnerships during the year with Standard Life, Kerr Henderson Hewitt, Punter Southall and Farnham Castle and that Norwich Union and Quantum Advisory have agreed to work with Life Academy. We also contributed to the ACEVO guide to help chief executives of voluntary sector bodies with their retirement planning.

We welcome our good relationships with Government. We were pleased to continue our contribution to the DWP Over 50s Stakeholder Group and the Group in HMRC considering their strategy for their older customers; we were also pleased to be asked to join the DWP Customer Insight Steering Group for those customers approaching retirement. As retirement, pensions and finance become more complex so the need for the knowledge contained in Life Academy becomes more valuable. Earlier planning by individuals is essential but for some members of society the funding must come from the Government.

During 2007/08 we continued our work on two Pension Education Fund projects. One was led by The Royal Bath and West of England Society for those in the agriculture and horticulture sectors in the South West of England. The second was a Life Academy project aimed at increasing financial awareness and linking this with the need for retirement planning for those in their early 50's. We also joined with the charity Tax Help for Older People to gain funding from HMRC to deliver 23 workshops aimed at advisors in the voluntary sector so that their understanding of tax issues was increased and they could more effectively support their pre-pensioner and pensioner end users.

It was rewarding to be involved in these projects and we were able to design and deliver workshops that produced highly effective outcomes. During the taxation workshops the knowledge and understanding of the voluntary sector advisers was significantly increased with the result that before the workshop 78% of participants assess themselves as very poor or poor at providing information and guidance on tax matters whereas after the workshop 85% of workshop participants believed they were well equipped or very well equipped to provide information and guidance to their end users.





## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

The evaluation of the second year of the Pension Education Fund project revealed that within three months of attending a one day workshop 57% of participants had obtained a state pension forecast; 41% had sought financial planning advice; 21% had increased their savings for retirement (at a time that the "credit crunch" was starting to impact); 11% had opened a new pensions account or joined their occupational pension scheme.

In October 2007 DWP entrusted Life Academy with the largest service delivery project in our history. The 50+ Face to Face project involves the delivery of a face to face information and guidance service to employees age 50+ in Cambridgeshire and most of Bedfordshire. The work commenced in November 2007 with the preparation of bespoke materials and the design of a range of workshops. The service was launched in February 2008 with delivery commencing in March. The delivery will continue throughout 2008.

The Leonardo da Vinci projects continued in 2007/08. During the year we concluded the fieldwork on the intergenerational working project with older and younger nurses at a hospital in Medway working together and we reported on the project at the annual Age Diversity Conference held by NHS Employers. We also started work on the Polish led project in which we will prepare part of the educational programme on age diversity for an electronic based learning programme for HR managers.

During the year Life Academy produced, as part of the Learn About Money series, two financial education workbooks for lone parents and one for those with learning difficulties. We also ran a 10 week Positive Health programme with the Fountain Centre at Guildford hospital. This programme aimed to increase the feeling of well being in cancer patients and help them to remain or return to work. 2007/08 was a year in which our activity was at a record level.

### **RISK MANAGEMENT**

The Board of Trustees undertakes periodic reviews of the major risks which face the charity. A major part of the General Fund is required to finance the premises from which the charity conducts its affairs, so the level of its remaining free General Funds calls for regular review. A major source of its funds is from the Department for Innovation, Universities and Skills for the training and development activities; this grant is subject to a review by them each year.

### **FINANCIAL REPORT FOR THE YEAR**

Restricted income - the DIUS grant towards our professional education activities remained constant. Unrestricted income increased 46% with the result that in total income increased by 31%. We were delighted with this increase in income which exceeded the budget for the year and resulted in a much reduced deficit that was within the agreed budget and broadly enabled the charity to achieve a cash neutral out-turn for the year.

On Unrestricted Funds there was a deficit for the year of £14,628 after taking account of an unrealised loss on investments of £504. In accordance with the SORP, the amount of the Designated Reserve for Fixed Assets has been decreased by a transfer of £23,704 to the General Fund to provide a total deficit of £5,544. The amount remaining to be carried forward on the General Fund becomes a surplus of £14,572.

## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

With regard to the Endowment Fund, whilst there was no expenditure in the year, after taking account income of £354 and unrealised losses on the investments held of £6,746, the amount to be carried forward becomes £33,022.

On restricted funds there was no balance to be carried forward.

### **RESERVES POLICY**

The Board of Trustees has reviewed its policy on reserves to be held. In broad terms it wishes to generate reserves firstly to cover the capital payment terms, over time, of its property mortgage and then to have cover for some six to nine months operating expenses. However during the strategic review it was recognised that the value of the property was an asset which could support the funding of the increased level of activity and the Trustees subsequently adopted the policy.

### **TRUSTEES**

The directors of the Charitable Company are its Trustees for the purpose of Charity Law. The Trustees Report is therefore also a Directors Report under Section 234 of the Companies Act 1985. If continuing in office, the Trustees come forward every third year for re-election at the Annual General Meeting. Apart from the nominee of the National Regional Representative Committee, new trustees are nominated by the existing Board of Trustees, though there is a right for two members of the Association to propose a person as a Trustee, having given due notice thereof.

The members of the Board of Trustees for the period under review are listed on Page 1 of these Financial Statements.

Mr S H Baynes was appointed as a Trustee with effect from 10<sup>th</sup> April 2007 and Mrs P M Green was appointed as a Trustee with effect from 13<sup>th</sup> April 2007. Ms A Munro was appointed a Trustee on 28<sup>th</sup> June 2007 and Mr T Crossley appointed as a Trustee on 1 September 2007.

The Trustees retiring by rotation are Mr R Collinge, Mr P Scales and Mr T Taylor who, being eligible, offer themselves for re-election. Ms S Howlett also retires by rotation but does not wish to stand for re-election.

The Trustees received no remuneration other than expenses incurred on the business of the Charity. Expenses reimbursed to Trustees are reported in Note 4 to the accompanying Financial Statement.

### **RESPONSIBILITIES OF THE TRUSTEES**

The Charity's Trustees are responsible for preparing the Annual Report and financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.



## **THE PRE-RETIREMENT ASSOCIATION**

### **REPORT OF THE TRUSTEES**

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and its financial activities for that period. In preparing financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statement of recommended practice have been followed subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have taken all the steps they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

### **AUDITORS**

The auditors, C M B Partnership, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved on behalf of the Board

Secretary



Date: 5 August 2008

## **THE PRE-RETIREMENT ASSOCIATION**

### **Independent auditors' report to the members of The Pre-Retirement Association**

We have audited the financial statements of The Pre-Retirement Association for the year ended 31 March 2008 on pages 12 to 21. These financial statements have been prepared under the accounting policies set out on pages 14 and 15.

This report is made solely to the charity's trustees, 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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees (who are also the directors of The Pre-Retirement Association for the purpose of company law) are responsible for the preparation of the financial statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice).

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

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

We read other information contained in the Trustees' Annual Report, 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.

## **THE PRE-RETIREMENT ASSOCIATION**

### **Independent auditors' report to the members of The Pre-Retirement Association (continued)**

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees Report is consistent with the Financial Statements.

*CMB Partnership*

CMB Partnership  
Chartered Accountants  
Registered Auditors

Chapel House  
1 Chapel Street  
Guildford  
Surrey GU1 3UH

Date 5 August 2008

THE PRE-RETIREMENT ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total Funds 2008 £	Total Funds 2007 £
<b><u>INCOMING RESOURCES</u></b>						
Voluntary income:						
Training and Development						
-Government Grants		0	78,000	0	78,000	78,000
General Donations		0	0	0	0	9,410
Incoming resources from charitable activities:						
Training courses, projects and other income		352,449	0	0	352,449	239,948
Investment Income		1,017	0	354	1,371	1,074
<b>Total incoming resources</b>	<b>2</b>	<b>353,466</b>	<b>78,000</b>	<b>354</b>	<b>431,820</b>	<b>328,432</b>
<b><u>RESOURCES EXPENDED</u></b>						
Charitable activities:						
-Training courses and projects		171,155	78,000	0	249,155	192,961
-Support costs		122,320	0	0	122,320	133,776
Governance costs		74,115	0	0	74,115	71,050
<b>Total resources expended</b>	<b>3</b>	<b>367,590</b>	<b>78,000</b>	<b>0</b>	<b>445,590</b>	<b>397,787</b>
<b>Net income /(expenditure) for the year</b>		<b>-14,124</b>	<b>0</b>	<b>354</b>	<b>-13,770</b>	<b>-69,355</b>
Other recognised gains/(losses)						
Gain on revaluation of tangible fixed assets	8	0	0	0	0	158,600
Unrealised gains /(losses) on investments	9	-504	0	-6,746	-7,250	6,301
<b>Net incoming /(outgoing) resources for the year before transfers</b>		<b>-14,628</b>	<b>0</b>	<b>-6,392</b>	<b>-21,020</b>	<b>95,546</b>
<b>Transfers between funds</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net incoming /(outgoing) resources for the year after transfers</b>		<b>-14,628</b>	<b>0</b>	<b>-6,392</b>	<b>-21,020</b>	<b>95,546</b>
<b>Fund balances brought forward at 1st April</b>		<b>182,256</b>	<b>0</b>	<b>39,414</b>	<b>221,670</b>	<b>126,124</b>
<b>Fund balances carried forward at 31st March</b>	<b>16 &amp; 17</b>	<b>167,628</b>	<b>0</b>	<b>33,022</b>	<b>200,650</b>	<b>221,670</b>

The Statement of Financial Activities gives the equivalent information to an Income and Expenditure Account and, accordingly, no separate Income and Expenditure Account has been produced.

All the Incoming Resources and Resources Expended were from continuing operations.

The Charity has no recognised gains and losses other than those dealt within the Statement of Financial Activities.

The notes on pages 14 to 21 form part of these financial statements.



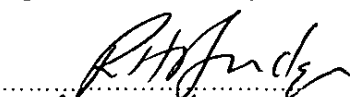
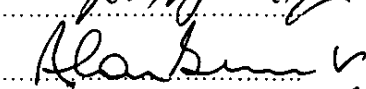


# THE PRE-RETIREMENT ASSOCIATION

## BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Intangible assets	7	26,696	37,375
Tangible assets	8	321,140	321,769
Investments	9	46,244	53,140
		<u>394,080</u>	<u>412,284</u>
<b>CURRENT ASSETS</b>			
Debtors	11	78,748	37,893
Short term deposits		1,207	1,162
Cash at bank and in hand		30,030	17,123
		<u>109,985</u>	<u>56,178</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	12	-119,218	-77,128
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>-9,233</u>	<u>-20,950</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>384,847</u>	<u>391,334</u>
Creditors: Amounts falling due after more than one year	14	-184,197	-169,664
<b>NET ASSETS</b>		<u><u>200,650</u></u>	<u><u>221,670</u></u>
<b><u>FUNDS</u></b>			
Unrestricted funds:			
Designated Fund - Revaluation Reserve		158,600	158,600
Designated Fund - Fixed Assets		-5,544	18,161
General Fund		14,572	5,495
	16	<u>167,628</u>	<u>182,256</u>
Restricted Funds	16	0	0
Expendable Endowment Fund	16	33,022	39,414
<b>TOTAL FUNDS</b>	17	<u><u>200,650</u></u>	<u><u>221,670</u></u>

The financial statements were approved by the Board of Trustees on 5 August 2008 and signed on its behalf by

 )  
 Trustees  
 )

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**1 ACCOUNTING POLICIES**

**1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of freehold property and investments. Freehold property is now shown at valuation as the Trustees consider that this reflects the current value of the property. The accounts are prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2005) issued in March 2005.

**1.2 FUNDS**

The PRA received grants towards specific courses and projects which are treated as restricted funds.

The PRA received a donation from Professor Alastair Heron, which now forms the Expendable Endowment "Alastair Heron Research Fund". The donation of £20,000 is held in the F & C Stewardship Growth Accumulation Fund and the Trustees may from time to time realise amounts from income or gains in the valuation of the units, to fund the participation of the PRA in research projects which are not otherwise fully funded. In the year to 31 March 2008, none of the Fund was utilised. After investment income of £354 and unrealised losses of £6,746, the balance carried forward on the fund was £33,022.

In accordance with the latest SORP, the balance held in General Funds, is subdivided as follows:-

1. Designated Reserve - Fixed Assets and Revaluation. This is comprised of the net book value based on historic costs of the intangible and tangible assets, held in goodwill, re-branding costs, property and equipment. The property is shown at the revaluation less the total sum outstanding at the balance sheet date on the mortgage for the property. The surplus on revaluation is shown in the Revaluation Reserve.

2. General fund. This being the remainder of that fund that has not been utilised for the designated reserve.

The PRA reviews all incoming resources to determine whether any funds should be treated as restricted.

**1.3 INCOMING RESOURCES**

Grants are received from Government departments to provide funds for specific purposes and projects. These are accounted for on an accruals basis.

Donations represent income for specific projects and general purposes. This is accounted for on a received basis.

Incoming resources from training courses, projects and the sale of publications is accounted for on an accruals basis.

Annual income on licence fees for the use of our materials is recognised immediately when invoiced, as this reflects the up front work and benefit to the client from the outset.

Subscriptions from members are accounted for on an accruals basis.

Any income received in advance is shown within deferred income.

Investment income represents interest received on cash held on deposit and dividends receivable, including recoverable Income Tax on listed investments. This is accounted for on a receivable basis.

## THE PRE-RETIREMENT ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

#### **1 ACCOUNTING POLICIES - continued**

##### **1.4 RESOURCES EXPENDED**

Costs expended on Charitable activities is analysed as follows:

1. Training courses and projects, represents the direct costs incurred on running the courses and projects and is accounted for on an accruals basis.
2. Support costs, representing the cost of the staff supporting the work on training courses and projects, together with the related costs of accommodation and services. Where costs need to be allocated between 'Support' and 'Governance costs' it has been done on the basis of the respective estimated staff time. Support costs allocated to restricted funds has been done in accordance with the terms agreed with the provider of the funds. The expenditure is accounted for on an accruals basis.
3. Governance costs, represents those costs which can be directly related thereto, together with its share of allocated costs on the basis explained above. The expenditure is accounted for on an accruals basis.

##### **1.5 INTANGIBLE FIXED ASSETS -**

###### **Re-branding**

In 2005 the Board of Trustees felt that the current name did not fairly represent the wide range of activities carried out by the Pre-Retirement Association. Approval was given to appoint a firm of marketing consultants to recommend a name more in accordance with the range of activities and to produce a new logo and design templates. The re-branding costs of £53,395 incurred during the year ended 31 March 2006 also included legal costs to protect the title and the design costs of a web site in the new brand. The Trustees agreed to write off the total cost over five years.

##### **1.6 TANGIBLE FIXED ASSETS**

The freehold premises is shown at valuation following a professional valuation given in July 2006 with an estimated market value of £315,000. Other fixed assets are shown at cost less accumulated depreciation.

##### **1.7 DEPRECIATION**

Depreciation is charged at the following rates:-

Freehold land and buildings	no charge
Computer equipment	25% and 33% on a straight line basis
Other plant and equipment	10% on a straight line basis

##### **1.8 PENSIONS**

The company operates a defined contribution scheme. Contributions are charged on an accruals basis.

##### **1.9 UNPAID VOLUNTEERS**

The Trustees were all unpaid for their time on PRA's affairs during the year. The Statement of Financial Activities does not include any notional value for their services.

##### **1.10 INDEMNITY INSURANCE**

The PRA has a 'Professional Indemnity' insurance policy which covers trustees, permanent staff, temporary staff and invited speakers in connection with speeches delivered at a meeting or function organised by the PRA. It further covers speakers of the PRA in connection with speeches delivered at a meeting or function not organised by the PRA. It is the firm and clear policy of the PRA not to provide financial advice. The cost of the policy for the year 2008 was £630 (2007 £630).

##### **1.11 INVESTMENTS**

The investments are those listed on the UK Stock Exchange and are stated at their market value. Any change in the market value within the year is included within unrealised gains or losses on investments.

THE PRE-RETIREMENT ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**2 INCOMING RESOURCES**

	2008 £	2007 £
<b>2.1 Restricted Funds</b>		
The following Grants, Donations and Other Income were received during the year:		
Department for Innovation, Universities and Skills	78,000	78,000
	<u>78,000</u>	<u>78,000</u>
<b>2.2 Unrestricted Funds</b>		
The Income for the year on unrestricted fund was:		
Training courses	107,152	88,671
Projects	221,941	127,670
Publications	11,243	11,213
Subscriptions	11,806	12,009
Sundries	307	385
	<u>352,449</u>	<u>239,948</u>
<b>2.3 Investment Income</b>		
Interest receivable	517	300
Dividends received from Unit Trusts	854	774
	<u>1,371</u>	<u>1,074</u>
The investment income comprised:		
Endowment Fund - A Heron	354	327
General Fund	1,017	747
	<u>1,371</u>	<u>1,074</u>

THE PRE-RETIREMENT ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**3 RESOURCES EXPENDED**

	2008 £	2007 £
3.1 The expenditure for the year is stated after charging:		
Auditors remuneration	1,900	1,850
Depreciation	2,194	3,232
Amortisation - Re-branding	10,679	10,680
Loss on disposal of fixed assets	1,728	0
Mortgage interest	15,659	10,097
Operating lease	3,792	0

**3.2 Analysis of expenditure**

	Training courses & Projects £	Support costs £	Governance costs £	Total 2008 £	Total 2007 £
Staff Costs	80,233	68,315	26,448	174,996	179,935
Directly chargeable costs	168,922	0	0	168,922	133,126
Building costs	0	13,735	4,826	18,561	11,422
Post, telephone, printing & stationery	0	21,397	7,518	28,915	19,397
Professional charges	0	0	2,127	2,127	1,850
Mortgage interest	0	0	15,659	15,659	10,097
Depreciation/amortisation	0	1,624	12,978	14,602	13,912
Other costs	0	17,249	4,559	21,808	28,048
	<u>249,155</u>	<u>122,320</u>	<u>74,115</u>	<u>445,590</u>	<u>397,787</u>

The basis of allocation of costs is explained in note 1.4

**4**

**Trustees Remuneration**

The Trustees received no remuneration in the year

	2008 £	2007 £
Out of pocket expenses were reimbursed to Trustees for travel costs incurred on the PRA's activities		
1 Trustee in 2008 (1 Trustee in 2007)	<u>85</u>	<u>286</u>

**5**

**5.1 Staff Costs**

	2008 £	2007 £
Wages & Salaries	157,960	150,458
Social Security Costs	15,437	14,925
Pension Costs	1,599	14,552
	<u>174,996</u>	<u>179,935</u>

No employee received remuneration in excess of £60,000

Average number of employees for the year was 5 (2007 was 5)

**Pension Costs**

- 5.2 The PRA operates a defined contribution pension scheme for its staff. The assets of the scheme are held separately from those of the PRA in an independently administered fund. Contributions are as noted in 5.1 above, and all were paid during the year.

**Taxation**

**6**

Owing to its charitable status the PRA is not liable to income or corporation tax on its income under the Income and Corporation Taxes Act 1988.

THE PRE-RETIREMENT ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

**7 INTANGIBLE FIXED ASSETS**

	Re-branding £	Goodwill £	Total £
<u>Cost</u>			
At 1 April 2007	53,395	6,000	59,395
Additions	0	0	0
At 31 March 2008	<u>53,395</u>	<u>6,000</u>	<u>59,395</u>
<u>Amortisation</u>			
At 1 April 2007	16,020	6,000	22,020
Charge for the year	10,679	0	10,679
At 31 March 2008	<u>26,699</u>	<u>6,000</u>	<u>32,699</u>
<u>Net book value at 31 March 2008</u>	<u>26,696</u>	<u>0</u>	<u>26,696</u>
<u>Net book value at 31 March 2007</u>	<u>37,375</u>	<u>0</u>	<u>37,375</u>

**8 TANGIBLE ASSETS**

	Freehold premises 9 Chesham Road Guildford £	Plant and Machinery etc £	Total £
<u>Cost or valuation</u>			
At 1 April 2007	315,000	27,133	342,133
Additions	0	3,293	3,293
Disposals	0	-4,300	-4,300
At 31 March 2008	<u>315,000</u>	<u>26,126</u>	<u>341,126</u>
<u>Depreciation</u>			
At 1 April 2007	0	20,364	20,364
Charged for the year	0	2,194	2,194
Disposals	0	-2,572	-2,572
At 31 March 2008	<u>0</u>	<u>19,986</u>	<u>19,986</u>
<u>Net book value at 31 March 2008</u>	<u>315,000</u>	<u>6,140</u>	<u>321,140</u>
<u>Net book value at 31 March 2007</u>	<u>315,000</u>	<u>6,769</u>	<u>321,769</u>

An independent professional valuation of the freehold premises was given in July 2006 with an estimated value of £315,000. If a professional valuation had not been used, the freehold premises would have had an historic cost of £188,416 and accumulated depreciation at 31 March 2008 of £39,532 to give a net book value of £148,884.

The gain on revaluation being the difference between the valuation and the net value of the premises of £158,600 is shown as the Designated Fund - Revaluation Reserve. The Trustees consider that the valuation of £315,000 is not significantly different to the value at 31 March 2008 and therefore no provision for depreciation has been made.

# THE PRE-RETIREMENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### 9 INVESTMENTS

	2008 £	2007 £
At 1 April 2007	53,140	46,513
Additions	354	327
Revaluation	-7,250	6,300
At 31 March 2008	<u>46,244</u>	<u>53,140</u>

Comparable amounts under the historical cost convention are:

At 1 April 2008 and 31 March 2007	<u>35,638</u>	<u>35,284</u>
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The investments are all listed on the UK Stock Exchange. An analysis of the investments at 31 March 2008 is as follows:

Witan Pacific Investment Trust plc	3,526	3,678
Murray International Trust plc	6,944	6,452
The City of London Trust plc	6,497	7,342
F & C Stewardship Growth Accumulation Fund	29,277	35,668
	<u>46,244</u>	<u>53,140</u>

### 10 STOCKS

Publications	<u>0</u>	<u>0</u>
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### 11 DEBTORS

Trade debtors	36,705	32,767
Prepayments and accrued income	42,043	5,126
	<u>78,748</u>	<u>37,893</u>

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank loans and overdrafts	10,583	12,720
Trade creditors	21,506	16,575
Other creditors	12,547	7,766
Accruals	59,795	24,090
Deferred income (note 13)	14,787	15,977
	<u>119,218</u>	<u>77,128</u>

THE PRE-RETIREMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

13 DEFERRED INCOME

	2008	2007
	£	£
Balance at 1 April 2007	15,977	9,177
Course fees and project income receivable during the year	327,903	223,141
Released to the Statement of Financial Activities	<u>-329,093</u>	<u>-216,341</u>
Balance at 31 March 2008	<u>14,787</u>	<u>15,977</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Bank loan repayable at £2,012 per month	<u>184,197</u>	<u>169,664</u>
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The bank loan is a flexible business loan taken out to purchase the property known as 9 Chesham Road, Guildford, Surrey. The loan is secured on the property.

The loan is repayable as follows:

Within -		
One year	10,583	12,720
2 - 5 years	42,332	50,880
More than 5 years	<u>141,865</u>	<u>118,784</u>
	<u>194,780</u>	<u>182,384</u>

Other operating leases commitments:

The charity is committed to the following annual payment on operations in respect of a short term lease taken out on an office in Cambridge.

Land and Buildings:

Rent	13,284	0
Facilities	<u>1,260</u>	<u>0</u>
Leases expiring within one year	<u>14,544</u>	<u>0</u>

15 SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to a sum not exceeding £1 on the winding up of the company. The word 'Limited' is omitted by licence from the Department of Trade as the company has charitable status.

16 STATEMENT OF FUNDS

	Balance 1 April 2007 £	Incoming resources £	Outgoing resources £	Transfers between funds £	Balance 31-Mar 2008 £
Unrestricted Funds:					
Designated Fund - fixed assets	18,160	0	0	-23,704	-5,544
Designated Fund - revaluation reserve	158,600	0	0	0	158,600
General Fund	<u>5,496</u>	<u>353,466</u>	<u>368,094</u>	<u>23,704</u>	<u>14,572</u>
	<u>182,256</u>	<u>353,466</u>	<u>368,094</u>	<u>0</u>	<u>167,628</u>
Restricted Funds:					
Department for Education and Skills	<u>0</u>	<u>78,000</u>	<u>78,000</u>	<u>0</u>	<u>0</u>
Endowment Fund:					
Alastair Heron Research	<u>39,414</u>	<u>354</u>	<u>6,746</u>	<u>0</u>	<u>33,022</u>



# THE PRE-RETIREMENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

### STATEMENT OF FUNDS - continued

#### Purpose of Funds:

The General Fund represents the free funds of the Charity which have not been designated for particular purposes.

The Designated Fund represents the net book value based on historic costs of the intangible and tangible fixed assets plus the revaluation reserve, less the bank facilities secured on those assets. The amount shown as the transfer for the year is the sum required to reflect the movement in fixed assets and bank facilities during the year, in order to be in compliance with the guidelines set forth in the latest SORP.

The restricted funds are those funds granted to the PRA for the purpose of the projects specified.

The Expendable Endowment Fund is for the purpose specified in note 1.2 above.

### 17 ANALYSIS OF NET ASSETS BY FUND

	General £	Restricted £	Endowment £	Total £
Intangible fixed assets	26,696	0	0	26,696
Tangible fixed assets	321,140	0	0	321,140
Investments	16,967	0	29,277	46,244
Stocks	0	0	0	0
Debtors	78,748	0	0	78,748
Cash on deposit, at bank and in hand	27,492	0	3,745	31,237
Creditors due less than one year	-119,218	0	0	-119,218
Creditors due in more than one year	-184,197	0	0	-184,197
	<u>167,628</u>	<u>0</u>	<u>33,022</u>	<u>200,650</u>