



Help the Aged

Report of the Board of Trustees

for the year ended 30th April 1997



The Report of the Board of Trustees for the year ended 30th April 1997

Help the Aged Registered Company Number 1263446
Registered Charity Number 272786
Company Limited by Guarantee
Registered Office: St. James's Walk, Clerkenwell Green, London EC1R 0BE
Tel: 0171 253 0253 Fax: 0171 250 4474
E-mail: hta@dial.pipex.com
Governed by Memorandum and Articles of Association

Trustees' Responsibilities

Help the Aged is constituted as a Company Limited by Guarantee and as such is subject to Company Law. Its Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period. In preparing those financial statements, the Trustees are required to:

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

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

Specific Restrictions Imposed by the Memorandum and Articles of Association

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

Important Notices

- The Trustees thank John Mayo, Director General of Help the Aged from 1983-1996, for his excellent leadership of the Charity.
- The Trustees welcome Michael Lake, the new Director General, and wish him every success in leading the Charity from strength to strength.

THE REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 30TH APRIL 1997

Policies

Help the Aged:

- provides practical support and advice to help older people live independent lives
- pays particular attention to the care of older people without adequate resources who face exclusion or isolation
- encourages and supports investment in older people, to reduce disadvantage and create opportunity.

The Charity's aims are:

- to create a brighter, more independent future for older people through a range of direct services throughout the UK
 - to maximise its own effectiveness and the impact of other charities by promoting best practice, sharing expertise and building strong partnerships
 - to provide a platform for older people to voice their concerns
 - to change public awareness of older people's needs and interests through campaigning
 - to improve the well-being of older people internationally by supporting long-term programmes to promote independence and greater social status and by providing emergency relief when necessary
 - to maintain Help the Aged's position as one of the UK's leading charities through professional management and a portfolio of proven and innovative fundraising methods
 - to extend its local outreach through a body of highly motivated volunteers.
- **Overview of Help the Aged's work and performance in 1996/97**

Through new and established services, Help the Aged touched even more lives this year. In recognition of its vital work, the Charity continued to attract considerable public and corporate support.

Help the Aged's total income was up to £56 million, from £48 million in 1995/96. Given growing discernment among donors and an increasingly crowded charity market place, this was a very creditable result.

The major fundraising successes of the year were the strong performance of the Charity's shops and the resurgence of Project Fundraising. Help the Aged opened 21 more shops in 1996/97, bringing the total to 342, at the same time improving the overall profitability of its retail operation. Sales of donated goods through shops rose to £22.5 million, up 37.2 per cent from 1995/96. The growth in fundraising for local projects, from £5.6 million in 1995/96 to £8.2 million in 1996/97 demonstrated Help the Aged's involvement with local groups which bring benefits to older people throughout the country. The sharing of our expertise with other charities has helped to establish and extend a wide range of schemes from hospices to day centres and community transport services. The income from direct marketing was also up, reaching £6.8 million. Much of the money from direct marketing went into the Charity's 'restricted funds' assigned to specific types of projects benefiting individuals and groups.

As expected our Legacy income fell short of last year's record level and the downturn in money from the Charity's mail order activities was disappointing.

Help the Aged increased its direct charitable expenditure to £28 million. Of that, £13 million was spent on UK aid programmes, £3.5 million was spent on housing, a further £3.5 million supported the Charity's information, advocacy and educational work and £8 million was allocated to overseas aid. Under the umbrella of the *Help the Aged Home Truths Campaign*, the Charity built on its strengths in the fields of information and advice provision, housing, community alarms and home safety and security. Where need extended beyond the Charity's specialisms, Help the Aged made disbursements totalling £1 million to rigorously selected projects. Their aims, organisation, location and financial needs were widely different, but these projects shared a common aim, to improve the lives of older people. The Charity expended £2 million on the acquisition of one care home and the extension of a second.

A major success of the year was attracting National Lottery Charities Board funding, through the Millennium Commission, for the Charity to set up its *Millennium Awards* scheme. Retaining the focus on rural communities built up during its long collaboration with the Rural Development Commission, Help the Aged will receive £2.5 million over three years to disburse on projects run by older people in rural areas to benefit their communities.

The Charity undertook campaigning and awareness-raising at national level, when its challenge to Sefton Metropolitan Council over its failure to pay care costs went to the High Court in March 1997. In response to the progressive erosion of statutory services for older people, Help the Aged established a *Social Care Campaign*, bringing together other charities with similar concerns. In another partnership project, Help the Aged and Crisis produced *Homeless Truths*, a major piece of research into homelessness among older people.

In collaboration with other charities, Help the Aged led a successful campaign to maintain VAT relief on minibuses designed for older disabled people. This outcome will save the charity sector approximately £2 million per year. Help the Aged benefited from a rebate of £150,000 from Customs and Excise and can now expect to save around £200,000 per year.

The Charity continued to build links with industry and commerce, receiving many commendations for its professionalism from its generous commercial partners. Corporate sponsorship underpinned many of Help the Aged's events and direct services.

The Charity employed 1,850 people, of whom 1,090 worked in the Shops department. Volunteers were a vital part of the Charity's fundraising operation, especially in house to house collections and shops. Recognising their importance, Help the Aged set up a Shops Volunteers Club.

At the end of the financial year, the Charity's reserves remained low, because despite increasing its income, it had to face rising costs. By focusing more than ever on achieving maximum benefit from its resources, Help the Aged has ensured it is well placed to address this challenge in the coming year.

- **Services**

For Help the Aged, championing good practice starts with its own services, designed to complement the work of other agencies. By listening to existing and potential service users, the Charity has matched its services more closely to their requirements and realised its commitment to the independence and autonomy of older people.

- **SeniorLine**

SeniorLine is Help the Aged's free nationwide telephone advice service for older people available on 0800 65 00 65:

- SeniorLine celebrated its fifth anniversary in June 1996
- during the year, advice workers answered almost 50,000 calls, incorporating nearly 60,000 different enquiries
- most frequent topics of enquiry were: money (particularly welfare benefits), finance, housing, community care, and practical help
- the National Lottery Charities Board awarded the Charity £35,000 to fund research into SeniorLine. The findings confirmed the relevance of the advice and information provided and highlighted the need for greater promotion of the service
- SeniorLine offices were sponsored by Eastern Natural Gas Ltd (England and Wales), Scottish Hydro-Electric plc (Scotland), and The Sandown Group (Northern Ireland)
- from October-March the advice workers answered calls to the *Winter Warmth Line*, as part of the tenth Department of Health *Keep Warm, Keep Well* Campaign.

● Information

Help the Aged revised and updated its range of advice leaflets which cover financial matters, housing, home safety and health. Leaflets were provided free of charge to individuals and to organisations working with older people, including libraries, advice agencies, voluntary bodies, GPs surgeries and hospitals. Postage was charged where organisations could meet the cost:

- one and a half million leaflets were distributed in 1996/97
- the Information Department carried out targeted mailings to specialists promoting *Healthy Eating* to hospital dieticians, *Bereavement* to hospices and the range of health leaflets to local Health Promotion Units
- taking account of research into older people's preferences for leaflet style, the Information Department revised and updated 15 titles, to make them more 'reader-friendly'. The Charity's new corporate identity also gave the leaflets a more attractive and consistent appearance
- the four annual financial titles, *Can You Claim It?*, *Claiming Disability Benefits*, *Check Your Tax* and *Questions on Pensions*, were widely publicised in both national and regional press; as a result many thousands of individuals asked for the leaflets. On a single day in April, the Charity received over 1,000 requests for *Can You Claim It?*
- alongside the advice leaflets, the Information Department extended its range of information sheets which deal with more complex or frequently changing subjects. During 1996/97, this range was also reviewed for content and presentation. Three new titles were added to the range: *Coming Out of Hospital*, *Widows' Benefits* and *Pre-Paid Funeral Plans*.

● Housing and Care

Help the Aged owns and manages a range of housing, including sheltered accommodation, residential care homes and private homes, which have been given to the Charity. During the year the Charity:

- cared for around 700 older people in 660 dwellings
- invested £2 million in its properties by building a new care wing at Little Bramingham Farm near Luton and acquiring a modern care home in Colchester.

● SeniorMobility

Help the Aged has worked in the field of mobility and special transport since 1979. With the emphasis on older people staying in their own homes, the SeniorMobility Campaign has widened the range of vehicles it presents:

- 72 specially adapted vehicles were presented in 1996/97 bringing the total to 1,171
- vehicles included: minibuses, community cars, meals on wheels vans, mobile day centres, mobile

resource centres and all-purpose vehicles

- Help the Aged won its High Court Appeal in respect of zero-rating of VAT on minibuses (see Overview above).

- **SeniorLink Telephones**

SeniorLink telephones, often referred to as community alarm telephones, bring independence, security and peace of mind to many older people and their carers. Telephones connect a person from his/her home to Help the Aged's Response Centre for emergency help if necessary, or often, simply for a friendly chat:

- the response service is available 24 hours a day, 365 days a year
- over 1,500 new connections to the Response Centre were made in 1996/97
- two new SeniorLink Community Co-ordinators established links with a wide range of organisations, from hospices to victim support groups, to publicise the service and encourage referrals.

- **Home Safety Scheme**

The Charity's HandyVan Scheme runs in 13 regions around the country, to alleviate the vulnerability felt by many older people. Trained fitters install door and window locks, smoke alarms and door spy holes. During the year:

- over 5,000 homes were fitted with security devices
- the Charity expanded the scheme beyond home safety to undertake minor repair and upkeep work in certain areas.

- **Help the Aged Home Truths Campaign**

Launched in February 1996, the *Help the Aged Home Truths Campaign* aims to raise £10 million to help older people live independently in their own homes. The campaign, which involves staff from all sections within the Charity, aims to:

- *deliver safety*: through the HandyVan Scheme
- *combat loneliness*: through the SeniorLink service
- *help older people to help themselves*: through SeniorLine and the Information service
- *work for the independence of older people*: through the SeniorMobility programme
- at the end of the year, the campaign fundraising total stood at over £6.5 million
- over 400,000 older people benefited from the campaign by the end of 1996/97.

- **Support to Local Projects**

Help the Aged's disbursement programme supports work carried out by voluntary projects for the benefit of elderly people and their carers. All applications are assessed within the framework of the Charity's grants and fundraising advice criteria to ensure that resources achieve the maximum benefit:

- support totalling over £1 million was given to over 300 local projects
- beneficiaries included day centres, respite care schemes, hospices, homelessness projects, bereavement counselling services, lunch clubs and transport.

- **International**

The international dimension of Help the Aged's activities is central to its work. The Charity's overseas programmes are normally implemented by HelpAge International's network of age-care organisations. Help the Aged worked in 27 key developing countries and on five main areas of activity:

- Adopt-a-Granny
 - Ophthalmic programmes
 - Healthcare
 - Income generation
 - Emergency/Refugee Aid
- the Adopt-a-Granny programme raised £2.0 million to support 18,000 older people through 250 caring organisations in developing countries
 - ophthalmic appeals raised almost £570,000 to restore sight. These monies funded a range of services: eyecamps which carried out 16,000 cataract operations, also providing preventative eye care and after care, medicines, spectacles and training, as well as delivering training to nurses and ophthalmologists
 - World in Sight appeal, run with Dollond & Aitchison, collected 200,000 pairs of glasses from the public, which were processed by prisoners in the UK and sent to Help the Aged's ophthalmic programmes in India and Africa
 - through a gift in kind, Help the Aged was able to send a consignment of vegetable seeds to 300 elderly people in farming communities in the war torn region of Krajina, Southern Croatia
 - Charity staff made visits to Kenya, India and former Yugoslavia
 - Help the Aged is a member of the new UK Disasters and Emergencies Committee.

● **Campaigning**

The year saw a development of the Charity's advocacy programme:

- growth of research function and increased policy development work
- lobbying of government and opposition: working with DoH, DSS, No. 10 Policy Unit on issues including Partnership Schemes for paying for long term care, privatisation of Social Services
- collaboration with other voluntary organisations
- Sefton / Gloucester legislation
- Homeless Truths research into older homelessness
- research into transport needs of older people
- campaigning / awareness-raising dimension of the Charity's direct marketing appeals e.g. *Heating or Eating* and *Homelessness*
- Growing Old in the Countryside national conference.

● **Fundraising**

During the year, the Millennium Commission approved a grant of £2.5 million to enable Help the Aged to set up its Millennium Awards programme. Entitled *Strengthening Rural Communities*, the programme aims to combat isolation among people over the age of 60 living in the countryside. The Charity will award grants of between £1,000 and £10,000, to a total value of £2.3 million, to individuals and small groups of older people. Five award rounds will be held during the three years of the programme, starting with rounds in June and December 1997:

- the year saw a resurgence in Help the Aged's project fundraising. Help the Aged worked in partnership with over 90 UK charities, both large and small, local and national, to raise £8.2 million for 150 different projects. In the last ten years, the Charity's project fundraising specialists have raised over £70 million and given guidance on all aspects of fundraising for numerous projects, including day centres, community transport schemes, hospices, community care services, sheltered housing and residential homes, home safety schemes and community resource centres
- Help the Aged's Insurance Services offered a range of policies especially designed for the over 50s providing building, contents, pet, motor and travel insurance. Three of the Charity's travel policies

were mentioned in *Which?* magazine 'Best Buys' in the 'Retired or Elderly' category in 1996

- Help the Aged Home Maintenance Services launched two new packages to help older people repair and maintain their homes simply, easily and economically: an *Immediate Repair* service and a *Long Term Maintenance* service
- in January 1997, Help the Aged launched Long Term Independence Planning, an innovative new service designed to help older people meet their care needs through financial advice. The need for the service was clear from the 2,000 calls received in the first week
- twenty one new shops brought the total to 342. The shops, which carry a full range of the Charity's advice leaflets, are a contact point for information in local communities. Their growth is therefore an indicator of greater local outreach
- five thousand volunteers work in Help the Aged's shops on a regular basis
- Wills and Legacies Department raised £5.8 million and extended its range of publications with *Facing the Future*, a booklet outlining the financial and personal guidance available from Help the Aged
- the continuing generosity of Help the Aged's commercial and corporate sponsors enabled the Charity to run services and events which would not otherwise have been possible. The Charity received many testimonials from its corporate partners endorsing its professionalism and the effectiveness of its partnerships
- new sponsorship worth £90,000 enabled the Information Department to print a larger range and greater volume of advice leaflets than it could have done without financial support
- student Rag volunteers from St Andrews to Exeter collected money in 140 towns and cities all over Britain
- Help the Aged launched Sharing the Caring, the first charity-owned company to promote payroll giving. The company works on behalf of over 40 national and local charities.

● **Direct Marketing**

Direct Marketing income reached £6.8 million this year from more than 200,000 donors:

- £2.8 million of this income was donated by the Charity's 26,000 committed givers
- new strategies for recruiting donors and building loyalty came from a low value, regular giving offer, which was tested using a television commercial
- the UK winter appeals on Heating or Eating and Homelessness performed extremely well.

● **Financial**

The financial climate for charities continued to be difficult with increasing competition for funds from a burgeoning charity sector, pressure on income as donors remained nervous about their own financial circumstances, and a growing burden of VAT as Government sought to limit reliefs, and lower income tax rates reduced the level of claims on covenants and gift aid.

Nevertheless, Help the Aged enjoyed an excellent year with total income up by £8 million to a new record of £56 million, spurred by a £6 million increase in shops revenue and over £3 million in donations, primarily resulting from our work with local projects.

While the charity accounting standard SORP requires income to be stated exclusive of the cost of running charity shops, Help the Aged has taken the view that a more representative comparison of performance is after deducting this necessary expenditure of maximizing the value of donated goods.

Consequently, the Charity is pleased to report an increase in Incoming Resources Available after shops costs of nine per cent from £34.9 million to £38.2 million. This enabled us to increase expenditure on

charitable work by 16 per cent from £24.2 million to £28.0 million, with most of the increase funding local projects in the United Kingdom.

As mentioned earlier, fundraising has been difficult and costs have continued to rise. Regretably, the cause of older people is seldom at the top of the list. Expenditure on fundraising and administration rose six per cent from £9.4 million to just below £10 million, although dropped as a proportion of Resources Available from 27 per cent to 26 per cent.

Important growth areas for the Charity have been services which provide good value to our beneficiaries and an additional source of general funds for Help the Aged. SeniorLink telephones, Insurance Services and Long Term Independence Planning are particular examples of this formula.

Help the Aged (Trading) Limited unfortunately suffered a serious reversal resulting from the unexpected loss of a major corporate sponsorship, and Help the Aged (Mail Order) Limited had problems with its fulfilment house. Consequently, the trading operations suffered a loss of over £400,000 compared to a profit of over £200,000 last year.

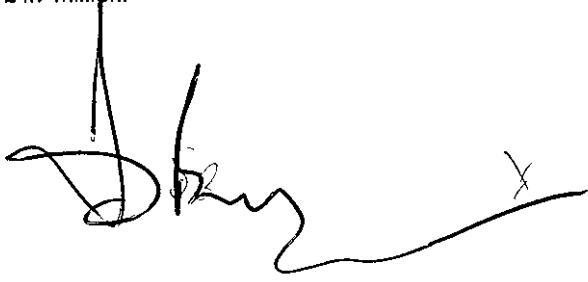
The growth in expenditure, outstripping the growth in income, resulted in a much reduced overall surplus, which dropped from £1.3 million to less than £300,000. However, £1.5 million of the increase in cost of charitable work was funded from restricted funds, including money held over from direct mail appeals.

The surplus on Unrestricted funds rose from £600,000 to £1.8 million. However the majority of this amount was invested in housing operations, including a new property at Colchester purchased for almost £900,000.

The Charity considers its property for charitable purposes to form a Designated fund and this rose by £2 million from £14.6 million to £16.6 million. The remaining Unrestricted funds form the General Reserves of the Charity and these fell from £3.5 million to £3.3 million.

This drop in General Reserves is the subject of some concern to the Trustees and plans are in hand to restore the position in the next financial year while continuing to expand charitable activity.

The consolidated cash position, including monies held by the trading subsidiaries, fell by £1.7 million from £7.5 million to £5.8 million. However, this remains more than sufficient to cover the liability on Restricted funds of £4.9 million.

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S. D. Burgess
Company Secretary
3rd July 1997

FINANCIAL STATEMENTS, YEAR ENDED 30TH APRIL 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF HELP THE AGED

We have audited the financial statements on pages 11 to 26 which have been prepared under the historical cost convention and the accounting policies set out on page 14.

Respective responsibilities of Trustees and auditors

As described on page 2, the Charity's Trustees, who are also the directors of Help the Aged for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of opinion

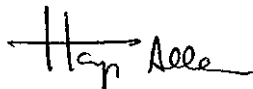
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in 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 mis-statement, 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 the Charity's affairs as at 30th April 1997 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hays Allan
Chartered Accountants
Registered Auditor
High Holborn



3rd July 1997

**HELP THE AGED
FOR THE YEAR ENDED 30TH APRIL 1997
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

		Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total 1997 £'000	Total 1996 £'000
	Notes					
Incoming resources						
Donations and gifts		4,640	17,784	–	22,424	19,042
Legacies receivable		5,609	256	–	5,865	7,698
Grants receivable		–	1,687	–	1,687	1,047
Sales of donated goods		22,528	–	–	22,528	16,438
Income from housing		3,186	–	–	3,186	2,660
Investment income	2	–	308	–	308	348
Net gain on disposal of tangible fixed assets		181	–	–	181	412
Net (loss)/profit from trading activities	3	(476)	–	–	(476)	233
Total incoming resources		35,668	20,035	–	55,703	47,878
Less: Costs of selling donated goods		17,518	–	–	17,518	12,946
Incoming resources available		18,150	20,035	–	38,185	34,932
Resources expended						
Direct charitable expenditure:						
UK and overseas aid programmes	4	442	19,509	–	19,951	16,712
Housing		3,438	–	–	3,438	3,187
Information, campaigning and education		3,385	–	–	3,385	3,186
Support costs		1,207	–	–	1,207	1,060
		8,472	19,509	–	27,981	24,145
Other expenditure:						
Fundraising and publicity		8,438	1,118	–	9,556	9,097
Management and administration of the Charity		422	–	–	422	427
		8,860	1,118	–	9,978	9,524
Total resources expended	5	17,332	20,627	–	37,959	33,669
Net incoming/(outgoing) resources before transfers		818	(592)	–	226	1,263
Transfer between funds	18	907	(907)	–	–	–
Net movement in funds		1,725	(1,499)	–	226	1,263
Fund balances brought forward at 1 May 1996		18,114	6,426	517	25,057	23,794
Fund balances carried forward at 30 April 1997		19,839	4,927	517	25,283	25,057
Designated funds		16,605				
Other unrestricted funds		3,234				
		<u>19,839</u>				

All transactions are derived from continuing activities
All recognised gains and losses are included in the Statement of Financial Activities.

**HELP THE AGED
AS AT 30TH APRIL 1997
BALANCE SHEETS**

	Notes	Charity		Group	
		1997 £'000	1996 £'000	1997 £'000	1996 £'000
Fixed assets					
Tangible assets	9	31,467	29,157	31,473	29,192
Investments	10	93	93	16	16
		31,560	29,250	31,489	29,208
Current assets					
Property for realisation	11	266	364	266	364
Stock		-	-	327	211
Debtors:					
Amounts falling due within one year	12	1,960	1,982	2,168	2,211
Amounts falling due after more than one year	13	2,455	2,633	-	-
Cash at bank and in hand		3,856	5,024	5,816	7,463
		8,537	10,003	8,577	10,249
Creditors:					
amounts falling due within one year	14	2,649	2,329	3,264	2,703
Net current assets		5,888	7,674	5,313	7,546
Total assets less current liabilities		37,448	36,924	36,802	36,754
Creditors: amounts falling due after more than one year					
Provisions for liabilities and charges	15 16	6,533 4,986	6,322 5,375	6,533 4,986	6,322 5,375
Net assets	20	25,929	25,227	25,283	25,057
Capital fund					
Endowment	17	517	517	517	517
Income funds					
Restricted funds	18	4,927	6,426	4,927	6,426
Unrestricted funds:					
Designated fund	19	16,605	14,581	16,605	14,581
Other charitable funds		3,880	3,703	3,880	3,703
Non-charitable trading funds	3	-	-	(646)	(170)
Total funds		25,929	25,227	25,283	25,057

J. Matthei
Trustee

P. Campbell Allen
Trustee

The Financial Statements were approved by the Board of Trustees on 3rd July 1997.

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
CONSOLIDATED CASHFLOW STATEMENT**

	Notes	1997		1996	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	21		1,061		697
Returns on investment and servicing of finance					
Dividends and interest received		431		490	
Interest element of finance leases		(46)		(68)	
Net cash inflow from returns and servicing of finance			385		422
Capital expenditure					
Purchase of tangible fixed assets		(4,292)		(2,742)	
Sale of tangible fixed assets		1,047		1,278	
Net cash outflow from capital expenditure			(3,245)		(1,464)
Net cash outflow before financing			(1,799)		(345)
Financing					
Net returnable deposits received		403		45	
Repayments of amounts borrowed		-		(18)	
Capital element of finance leases		(251)		(324)	
Net cash inflow (outflow) from financing			152		(297)
Decrease in cash			(1,647)		(642)

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (Accounting by Charities) and applicable accounting standards.

Group Financial Statements

Group financial statements have been prepared in respect of Help the Aged and its wholly owned trading subsidiaries, Help the Aged (Mail Order) Limited and Help the Aged (Trading) Limited. In accordance with Section 230 of the Companies Act 1985, no separate Statement of Financial Activities is presented for Help the Aged.

Fund Accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds – they are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been put aside at the discretion of the Trustees. At the year end they comprise of a property fund which represents the extent to which funds are invested in property for use by the Charity, and therefore not available for other purposes. (Note 19)

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

Incoming Resources

Incoming resources represent the total income receivable during the year comprising of donations, legacies, grants, and income from shops, housing and care and fundraising events.

Resources Expended

The costs of UK and overseas programmes, housing and care, shops, fundraising and publicity and of administration comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a cost basis.

In light of a review of the application of the Statement of Recommended Practice, information, campaigning and education costs have been reviewed to include certain costs of campaigning on behalf of older people. Comparative figures have been amended accordingly.

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.

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.

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

Depreciation

Fixed assets are stated at cost or donated valuation. Depreciation is calculated to write off the cost of the fixed asset by equal instalments as follows:

Motor vehicles	--	25% p.a. straight line
Fixtures and fittings	--	20% p.a. straight line
Leased equipment	--	Over the term of the lease
Computer equipment	--	25% p.a. straight line
Short term leaseholds	--	Over the term of the lease

No provision for depreciation has been made in respect of the Headquarters or the housing properties as they are maintained in a continual state of repair and their lives and residual values are such that depreciation is not material. This is not in accordance with SSAP12.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leased Assets

Assets held by the Charity which have been funded through finance leases are capitalised and the resulting future lease obligations are included in creditors. All other leases are operating leases and the rental expenses are charged to the Statement of Financial Activities as incurred.

Gifted Housing Scheme

Gifted houses are accounted for as income when donated at market valuation. The valuations are carried out by a qualified surveyor. When an individual donates his 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 provisions for liabilities and charges. Costs of care are charged to the provision as incurred. (Note 16)

Maintenance Provision

The cyclical repair and maintenance cost for the Charity's portfolio of properties is assessed by the Charity's surveyor and an amount charged annually to the Statement of Financial Activities in order to spread the cost evenly over each accounting period. (Note 16)

Pensions

The Charity contributes to defined benefits schemes open to all employees over the age of 21. The pension schemes are administered by Trustees and are separate from the Charity. Independent actuaries complete valuations at frequent intervals, usually triennially. The expected cost of pensions is charged to the Statement of Financial Activities over the expected lives of the employees in the schemes.

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

1997
£'000

1996
£'000

2 INVESTMENT INCOME

Short term deposits	308	348
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3 RESULTS FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Charity has two wholly owned trading activities which are incorporated in the UK. Help the Aged (Trading) Ltd raises funds via commercial events and sponsorship together with the sale of merchandise. Help the Aged (Mail Order) Ltd sells Christmas cards and other merchandise by mail order catalogue. Both companies covenant their taxable profits to Help the Aged.

	Help the Aged (Trading) Ltd £'000	Help the Aged (Mail Order) Ltd £'000	Total 1997 £'000	Total 1996 £'000
Turnover	2,004	2,369	4,373	4,654
Cost of sales	-	1,163	1,163	1,285
Gross profit	2,004	1,206	3,210	3,369
Investment income	-	131	131	154
Total expenses	2,182	1,635	3,817	3,290
(Loss)/profit for the year	(178)	(298)	(476)	233
Deed of covenant	-	-	-	342
Retained loss for the year	(178)	(298)	(476)	(109)

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

4 UK AND OVERSEAS AID PROGRAMMES

	1997 Total £'000	1996 Total £'000
United Kingdom aid programmes		
Day centres	4,239	801
Health and medical	3,801	4,560
Minibuses	1,352	1,840
Housing and care projects	24	138
Seniorlink telephones	300	319
Heating grants	383	62
Gifts in kind	82	5
Community projects	496	564
Home safety	762	237
Elderly homelessness	11	55
Isolation	-	148
Other projects	764	772
Total UK programmes	12,214	9,501
Overseas aid programmes		
Refugees and disaster	652	1,291
Health and medical	1,095	813
Care services	777	1,210
Gifts in kind	983	417
Support for HelpAge International	570	570
Adopt-a-Granny	1,754	1,254
Training	227	495
Organisational development	338	480
Income and livelihood	546	-
Information & campaigning	36	136
Other projects	759	545
Total overseas programmes	7,737	7,211
Total charged to Statement of Financial Activities	19,951	16,712

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £'000	Other £'000	Depreciation £'000	Total 1997 £'000
Direct charitable expenditure				
UK and overseas aid programmes	240	19,702	9	19,951
Housing	2,450	951	37	3,438
Information, campaigning and education	1,203	2,134	48	3,385
Support costs	816	327	64	1,207
	4,709	23,114	158	27,981
Other expenditure				
Fundraising and publicity	4,121	5,111	324	9,556
Management and administration of the Charity	258	158	6	422
Total	9,088	28,383	488	37,959

HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS

6 STAFF NUMBERS AND EMOLUMENTS

	1997		1996	
	Full time	Part time	Full time	Part time
Average number of persons employed during the year was as follows:				
Shops	395	666	231	498
Housing	342	64	313	69
Other	73	235	60	195
	810	965	604	762

	1997 £'000	1996 £'000
The aggregate emoluments of these persons were as follows:		
Salaries including benefits in kind	16,734	12,955
Social security costs	1,177	953
Pension scheme contributions	788	537
	18,699	14,445

	1997 Number	1996 Number
The numbers of employees whose emoluments for the year fell within the following bands were:		
£40,000 to £49,999	6	4
£50,000 to £59,999	2	3
£60,000 to £69,999	3	1

7 TRUSTEES EMOLUMENTS AND REIMBURSED EXPENSES

The Trustees received no remuneration for their services.

The aggregate amount of expenses reimbursed to the Trustees during the year was £2,418 (1996: £1,667).

The number of Trustees reimbursed for travel expenses was 4 (1996: 4).

Indemnity insurance is provided for Trustees, directors and employees. Premiums paid during the year totalled £6,592 (1996: £6,552).

8 NET MOVEMENTS IN FUNDS

	1997 £'000	1996 £'000
Net movement in funds is arrived at after charging:		
Depreciation of assets held under finance leases	241	268
Depreciation of other assets	1,359	1,122
Profit on disposal of fixed assets	181	412
Irrecoverable VAT	518	498
(the above includes £118,000 (1996: £127,000) for housing and care services)		
Auditors' remuneration:		
Audit	35	33
Other	12	24
Finance charges payable on finance leases	46	68
Operating lease rentals	3,984	3,540

HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS

	Freehold and long leasehold properties mainly Housing £'000	Short leaseholds shops £'000	Motor vehicles £'000	Equipment, fixtures and fittings £'000	Total £'000
(a) Charity					
Cost or valuation/donated					
At 1 May 1996	25,705	4,097	2,916	2,457	35,175
Additions	2,750	736	715	441	4,642
Disposals	(514)	(75)	(351)	(326)	(1,266)
Transfers to properties for resale	(193)	—	—	—	(193)
At 30 April 1997	27,748	4,758	3,280	2,572	38,358
Depreciation					
At 1 May 1996	—	2,506	1,518	1,994	6,018
Charge for the year	—	556	763	280	1,599
Eliminated on disposal	—	(63)	(337)	(326)	(726)
At 30 April 1997	—	2,999	1,944	1,948	6,891
Net book value					
At 30 April 1997	27,748	1,759	1,336	624	31,467
At 30 April 1996	25,705	1,591	1,398	463	29,157
(b) Group					
Cost or valuation/donated					
At 1 May 1996	25,705	4,097	2,916	2,611	35,329
Additions	2,750	736	715	448	4,649
Disposals	(514)	(75)	(351)	(480)	(1,420)
Transfers to properties for resale	(193)	—	—	—	(193)
At 30 April 1997	27,748	4,758	3,280	2,579	38,365
Depreciation					
At 1 May 1996	—	2,506	1,518	2,113	6,137
Charge for the year	—	556	763	281	1,600
Eliminated on disposal	—	(63)	(337)	(445)	(845)
At 30 April 1997	—	2,999	1,944	1,949	6,892
Net book value					
At 30 April 1997	27,748	1,759	1,336	630	31,473
At 30 April 1996	25,705	1,591	1,398	498	29,192

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

The net book value at 30 April 1997 represents fixed assets used for:

	Freehold and long leasehold properties £'000	Short leaseholds £'000	Motor vehicles £'000	Equipment, fixtures and fittings £'000	Total £'000
Direct charitable purposes					
Housing	25,871	—	50	31	25,952
Other	311	—	113	132	556
	26,182	—	163	163	26,508
Other purposes					
Shops	101	1,759	941	31	2,832
Other	1,465	—	232	436	2,133
	27,748	1,759	1,336	630	31,473

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

	1997 £'000	1996 £'000
Freehold	25,320	23,318
Long leaseholds	2,428	2,387
	27,748	25,705

A professional valuation in June 1991 indicated that the open market value of the Headquarters to be in the region of £2.75 million (cost: £1.902 million).

The other properties consist of those in the Housing and Care scheme. A professional valuation of these properties has not been obtained at the balance sheet date as it is considered that the expense would not be justifiable in view of the specialised and continuing nature of the scheme.

The net book value of assets held under finance lease:

	1997 £'000	1996 £'000
Motor vehicles	320	561

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

10 INVESTMENTS

	Shares in subsidiary undertakings £'000	Shares in associated undertakings £'000	Other investments £'000	Total £'000
Charity				
Cost or donated value At 1 May 1996 and 30 April 1997	77	15	1	93

Principal Subsidiary undertakings:	Registered In	Percentage of Capital held
Help the Aged (Trading) Limited	England and Wales	100%
Help the Aged (Mail Order) Limited	England and Wales	100%
Associated undertakings		
Fold Help Limited	Northern Ireland	50%

11 PROPERTY FOR REALISATION

	Charity		Group	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
Housing	266	364	266	364

**12 DEBTORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

Tax repayments	386	436	445	468
Subsidiary undertaking	161	20	-	-
Other debtors	383	457	794	756
Prepayments and accrued income	1,030	1,069	929	987
	1,960	1,982	2,168	2,211

**13 DEBTORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

Prepayments and accrued income	2,455	2,633	-	-
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HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS

	Charity		Group	
	1997 £'000	1996 £'000	1997 £'000	1996 £'000
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Deposits from housing residents repayable on change of occupancy	42	32	42	32
Interest-free loans	10	10	10	10
Subsidiary undertaking	-	129	-	-
Other creditors	1,355	939	1,564	1,114
Obligations under finance leases	180	249	180	249
Accrued expenses and deferred income	647	651	1,031	817
Taxes and social security	415	319	437	481
	2,649	2,329	3,264	2,703

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Deposits from housing residents repayable on change of occupancy	6,393	6,000	6,393	6,000
Obligations under finance leases	140	322	140	322
	6,533	6,322	6,533	6,322

The finance lease obligations due after more than one year are repayable as follows:

Between one and two years	140	192	140	192
Between two and five years	-	130	-	130
	140	322	140	322

16 PROVISION FOR LIABILITIES AND CHARGES

Charity	Maintenance £'000	Care £'000	Total £'000
At 1st May 1996	837	4,538	5,375
Costs	(183)	(673)	(856)
Increase in provision charged to Statement of Financial Activities in year	271	196	467
At 30th April 1997	925	4,061	4,986

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

17 ENDOWMENTS

	Balance 1st May 1996	Incoming Resources	Gains/Losses and Transfers	Balance 30th April 1997
	£'000	£'000	£'000	£'000
Permanent Endowment				
Goodwin Trust	517	--	--	517

This Trust represents property left to Help the Aged for the purpose of providing homes for elderly people. This also includes a commercial property which is to be used as a fund for carrying out the above condition.

18 RESTRICTED FUNDS

The income funds of the Charity include restricted funds comprising the following unexpended balances of:

	Balance 1st May 1996	Incoming Resources	Expenditure and transfers	Balance 30th April 1997
	£'000	£'000	£'000	£'000
United Kingdom Aid Programmes				
Day centres	66	4,229	4,242	53
Health and medical	96	3,869	3,836	129
Minibuses	310	1,625	1,505	430
Housing and care projects	1,270	481	986	765
Seniorlink telephones	367	120	315	172
Heating grants	117	781	588	310
Gifts in kind	--	82	82	--
Community projects	1,112	619	558	1,173
Home safety	664	314	785	193
Elderly homelessness	73	305	94	284
Isolation	26	362	103	285
Other projects	521	519	651	389
	4,622	13,306	13,745	4,183
Overseas Aid Programmes				
Refugees and disaster	524	161	667	18
Health and medical	500	1,395	1,422	473
Care services	79	779	858	--
Gifts in kind	--	983	983	--
Adopt-a-Granny	692	1,490	1,969	213
Training	--	247	247	--
Organisational development	--	368	368	--
Income and livelihood	--	696	696	--
Water	--	6	--	6
Information & campaigning	--	70	46	24
Other projects	9	534	533	10
	1,804	6,729	7,789	744
	6,426	20,035	21,534	4,927

£907,000 included in housing and care projects related to capital projects. The funds expended are transferred to unrestricted funds once spent.

HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS

19 DESIGNATED FUNDS

The income funds of the Charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

Property Fund

	Balance 1st May 1996	New Designations	Utilised/ Realised	Balance 30th April 1997
	£'000	£'000	£'000	£'000
Housing	12,679	2,024	–	14,703
Headquarters	1,902	–	–	1,902
	14,581	2,024	–	16,605

The designated funds are calculated as follows:

	Housing £'000	Headquarters £'000	Total £'000
Total valuation – Net book value	25,329	1,902	27,231
Less:			
Returnable deposits	6,435	–	6,435
Gifted housing – net book value	4,191	–	4,191
	10,626	–	10,626
	14,703	1,902	16,605

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 30th April 1997 are represented by				
Tangible fixed assets	30,956	–	517	31,473
Investments	16	–	–	16
Current assets	3,650	4,927	–	8,577
Current liabilities	(3,264)	–	–	(3,264)
Long-term liabilities	(11,519)	–	–	(11,519)
Total Net Assets	19,839	4,927	517	25,283

HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS

1997
 £'000

1996
 £'000

21 NET CASH INFLOW FROM OPERATING ACTIVITIES

Reconciliation of increase in Charity funds with net inflow from operating activities:

Increase in Charity funds	226	1,263
Dividends and interest receivable	(431)	(495)
Interest payable	46	68
Depreciation charge	1,600	1,390
Profit on disposal of tangible fixed assets	(181)	(412)
Donated property	(357)	(504)
Net decrease in provisions	(389)	(43)
Decrease/(increase) in debtors	43	(198)
Increase/(decrease) in creditors	620	(392)
(Increase)/decrease in stock	(116)	20
	1,061	697

22 ANALYSIS OF NET DEBT

	At 1st May 1996 £'000	Cashflow £'000	At 30th April 1997 £'000
Cash at bank and in hand	7,463	(1,647)	5,816
Finance leases	(571)	251	(320)
Returnable deposits	(6,032)	(403)	(6,435)
	860	(1,799)	(939)

23 PENSION COSTS

The Charity contributes to defined benefit pension schemes whereby 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 schemes' members' service lives.

The pension cost to the Charity was **£787,791** (1996: £537,211).

The latest completed actuarial valuation was carried out at 30th September, 1994 using the following principal assumptions:

Average rate of return on investments	—	9.5% p.a.
Average rate of salary increases	—	7% p.a.

The valuation showed the market value of the schemes' assets to be £3,689,880 and the actuarial value represented 130% of the benefits that had accrued to members. The surplus amounted to £812,000. The employees' and employer's contribution rates remain at 6% p.a. and 12.7% respectively.

**HELP THE AGED
YEAR ENDED 30TH APRIL 1997
NOTES TO THE FINANCIAL STATEMENTS**

24 SHARE CAPITAL

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

25 OBLIGATIONS UNDER OPERATING LEASES

The amount payable within the next twelve months on leases expiring:

	Land and Buildings £'000	Other £'000	1997 Total £'000	1996 Total £'000
Within one year	53	–	53	71
One to five years	292	30	322	371
After five years	3,626	–	3,626	3,483
	3,971	30	4,001	3,925

26 CAPITAL COMMITMENTS

The following capital expenditure has been approved by the Trustees but not provided for in these financial statements.

	1997 £'000	1996 £'000
Contracts placed:		
Housing	207	1,429

THE BOARD OF TRUSTEES FOR THE YEAR ENDED 30TH APRIL 1997

President

Peter Bowring CBE

Vice Presidents

Marchioness of Dufferin and Ava

Princess Helena Moutafian MBE

The Duke of Devonshire MC PC

Lord Coggan

George Davis (appointed December 1996)

Dame Thora Hird DBE, M.Litt

(appointed August 1996)

William Menzies-Wilson CBE

Joint Honorary Treasurers

The Duke and Duchess of Norfolk

Director General

Charles Michael Lake CBE (appointed on 22 November 1996 in place of John Mayo OBE who retired)

Auditors

Hays Allan

Southampton House

317 High Holborn, London WC1V 7NL

Stockbrokers

Charles Stanley and Company Limited

25, Luke Street, London EC2A 4AR

Bankers

Barclays Bank Plc

Pall Mall Corporate Banking Group

50 Pall Mall

PO Box 15162, London SW1A 1QB

Solicitors

Wedlake Bell

16 Bedford Street

Covent Garden, London WC2E 9HF

Chairman of the Board of Trustees

* John D Mather

Board of Trustees

* Priscilla Campbell Allen

Philip Ashfield

* Henry Bowrey

* Peter Bowring CBE

* Jo Connell

* Dudley Fisher CBE DL

Vera Harley MBE

* Anne Harris CBE

Dr William Hastings OBE

Angus Young (appointed 9 May 1996)

Professor Kay-Tee Khaw

Lady Macpherson

William Menzies-Wilson CBE

Hugh Peppiatt (resigned 8 May 1997)

Harold Sumption

Sir Robert Wade-Gery KCMG KCVO

* Christopher Woodbridge

Ian Macleod

Trevor Larman (appointed 9 May 1996)

* Executive Committee members as at 30th April 1997

As required by the Articles of Association, Priscilla Campbell Allen, Jo Connell, Anne Harris, Professor Kay-Tee Khaw, William Menzies-Wilson retire by rotation and, being eligible, offer themselves for re-election.

COMMITTEE MEMBERSHIP AS AT 30TH APRIL 1997

UK Housing & Care Services

- * Christopher Woodbridge (Chairman)
- Joan Bartlett (Servite Housing)
- Daphne Clark (Sutton Housing Trust)
- Christopher Flind (Chairman, Richmond Twickenham & Roehampton District Health Authority)
- * Vera Harley
- * Anne Harris (Deputy Chairman)
- * Professor Kay-Tee Khaw
- * Ian MacLeod
- Graham Thompson (Financial Adviser)

Finance

- * Priscilla Campbell Allen (Chairman)
- * William Menzies-Wilson
- * Trevor Larman

* *Members of the Board of Trustees*

Fundraising & Marketing

- * Jo Connell (Chairman)
- Simon Vane Percy (Self-employed consultant)
- David Simms (Retired)
- * Harold Sumption

Shops

- * Henry Bowrey (Chairman)
- * Philip Ashfield

Note:

The International Joint Operations Committee closed in July 1996 and will be superseded by a new International Planning Committee which will include Help the Aged Trustees.



Help the Aged

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