

Help the Aged



Report of the Board of Trustees

for the year ended 30th April 1996

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Help the Aged Registered Company Number 1263446

Registered Charity Number 272786

Company Limited by Guarantee

Registered Office: St James's Walk, London EC1R 0BE

Tel: 0171 253 0253 Fax: 0171 250 4474

Governed by Memorandum and Articles of Association

Patron

HRH The Princess of Wales

President

Peter Bowring CBE

Vice Presidents

Marchioness of Dufferin and Ava

Princess Helena Moutafian MBE

The Duke of Devonshire MC PC

Lord Coggan

Frank Baker

Joint Honorary Treasurers

The Duke and Duchess of Norfolk

Director General

John Mayo OBE

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

William Hastings OBE

* Executive Committee members as at 30th April 1996

Auditors

Hays Allan

Southampton House

317 High Holborn

London WC1V 7NL

Bankers

Barclays Bank Plc

Pall Mall Business Centre

1 Pall Mall East

London SW1Y 5AX

Solicitors

Wedlake Bell

16 Bedford Street

Covent Garden

London WC2E 9HF

Professor Kay-Tee Khaw

Ian Macleod

Lady Macpherson

William Menzies-Wilson CBE

Hugh Peppiatt

Harold Sumption

The Hon Mrs Michael Tollemache

Sir Robert Wade-Gery KCMG KCVO

* Christopher Woodbridge

As required by the Articles of Association, Peter Bowring, William Hastings, Ian Macleod, Lady Macpherson, Sir Robert Wade-Gery, Christopher Woodbridge retire by rotation and, being eligible, offer themselves for re-election.

COMMITTEE MEMBERSHIP AS AT 30TH APRIL 1996

International Joint Operations

- * Dudley Fisher (Chairman)
Dr Christopher Beer (Chief Executive,
HelpAge International)
- * Jo Connell
Dr Alex Kalache (World Health
Organisation)
- * John D Mather
Timothy Ramtu (Chairman, HelpAge
International)
Dr Paul Ricketts (Chairman, REACH
Dominica)
Mohini Sabharwal (Chairman, HelpAge
India)

Fundraising & Marketing

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

* *Members of the Board of Trustees*

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 Advisor)

Shops

- * Henry Bowrey (Chairman)
- * Philip Ashfield
John Allan (Waitrose)

Finance

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

Trustees' Responsibilities

Help the Aged is a Charity constituted as a Company Limited by Guarantee and as such is subject to both Charity and 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 the net movement in funds 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

- HRH The Princess of Wales, tendered her resignation as Patron on 16 July 1996. It was received with considerable sadness by the Charity as The Princess had brought light and hope to the lives of thousands of older people, both at home and abroad over the decade in which she had been The Patron.
- The Charity regrets to announce the death of Vice President Frank Baker. Frank Baker worked with the founder of the Charity, Cecil Jackson-Cole, in Help the Aged's early days. He was deeply involved in developing the Charity's personnel policy and for two decades was a committed and caring Trustee.
- The Honorable Mrs Michael Tollemache resigned as a Trustee on 25 July 1996. Her support over the past seven years has been greatly appreciated.

THE REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 30TH APRIL 1996

Help the Aged works to improve the quality of life of older people in the United Kingdom and internationally, particularly those who are frail, isolated or poor.

• Policies

Help the Aged has developed a set of clear and sustainable policy goals on which its practical work to improve the quality of life of older people is based. These policies are founded on the Charity's first-hand knowledge of older people's needs, and on close contact with their views.

The Charity's aims are:

- to provide a programme of direct services across the UK designed to support the independence and quality of life of older people (see *Services* below);
- to support and enable the efforts of other specialist organisations which provide services consistent with its own work, by sharing skills and resources (see *Support to Local Projects* and *Project Fundraising* below);

- to advocate on behalf of older people;
- to improve the quality of life of older people internationally as well as in the UK (see *International* below);
- to retain the Charity's place as one of the UK's leading fundraising charities, with a reputation for successful fundraising and supporter involvement (see *Fundraising* below);
- to deploy all its resources efficiently, including money, and use its prime asset, the Charity's staff and volunteers, to the greatest benefit.

● **Overview of Help the Aged's work and performance 1995/96**

During 1995/96, like other charities, Help the Aged was working in a changing and sometimes difficult fundraising environment, which featured distributions from the new National Lottery, economic uncertainty and an impending election.

The Charity's total income for 1995/96 was £47.9 million¹, down from £51.0 million in 1994/95. Incoming resources (after Shops' costs) were down from £41.7 million to £35.0 million. Included in the latter are the combined results of the trading subsidiaries which returned to a profit this year.

The overall fall was principally due to reduced income in two areas: Disaster Relief and Project Fundraising. During 1995/96, the Charity did not have to run an appeal for a major emergency on the scale of Rwanda (which raised £3 million in 1994/95). In addition, there was a fall of £4.0 million from Project Fundraising. Although Help the Aged worked with over 100 organisations during the year, it was involved in fewer high-value projects.

During the year, the Charity made direct charitable expenditure of £22.4 million. Services focused on the provision of information, the alleviation of isolation, improving home safety and security, and the provision of special housing with care.

In its growing advocacy role, the Charity responded to many calls to share its expertise on policy matters. It commissioned research that formed the basis of conferences which brought together experts, practitioners and the general public. Help the Aged played an important part in setting the national agenda on issues that are crucial for an ageing population. These include long-term health care, the relief of isolation and the development of policies and practical initiatives that improve the independence and well-being of older people.

The Charity strengthened its links with industry and commerce, with sponsorship arrangements and corporate generosity playing an important part in funding services. Innovative business

¹ The figures for 1995/96 reflect the adoption of new accounting procedures in line with the Charity Commission's recommended practice (SORP). This year, the figures include total income from shops and housing for the first time.

ventures offered new services for older people designed both to cater for their needs and to generate income to further the work of the Charity.

The Charity employed over 1,300 people; of which 729 were in the Shops department including both full-time and part-time employees. The Charity's investment in training and staff development continued to earn it a high reputation in the charity sector.

- **Services**

Wherever possible Help the Aged's services are innovative and exemplary in nature. They not only provide practical assistance and support for older people, but also form the basis of policy development and are a focus for fundraising and campaigning.

- **SeniorLine**

SeniorLine is Help the Aged's free nationwide telephone advice service. During the year:

- 62,000 calls were taken (23% increase on previous year)
- a new, more memorable freephone number was introduced - 0800 650065
- welfare, finance, housing, community care, benefits and practical help were the most frequent topics of enquiry
- SeniorLine offices were sponsored by Eastern Natural Gas Ltd (England and Wales), Scottish Hydro-Electric plc (new office in Scotland), The Sandown Group (new office in Northern Ireland).

- **Information**

The demand for the free advice leaflets which Help the Aged publishes and regularly updates grew substantially.

- nearly 2 million leaflets and information sheets were distributed (double the previous year)
- 24 titles were available direct from Help the Aged and from libraries, hospitals, surgeries and voluntary organisations
- publications covered finance, housing, home safety and health.

- **Housing and Care**

The Charity's expertise in running its own housing underpins its advice and information programmes on safety in the home and living independently.

- 675 older people were cared for in 645 dwellings.

- **Community Transport**

Help the Aged has worked in the field of mobility and special transport since 1979. A survey for Help the Aged of people aged 65-plus living at home² underlined the importance of access to transport. The most effective way of ending the isolation of the million people over 65 who use neither a car nor public transport is to provide appropriate vehicles and transport services.

Help the Aged achieved a landmark Tribunal Ruling against the payment of VAT on most of the minibuses which it supplies. This will save the Charity £250,000 per year in VAT with a back-payment of £167,000. This decision could also save the charity sector £10 million per year overall³.

- 71 specially adapted vehicles presented in 1995/96, bringing the total to 1,099

- **SeniorLink Telephones**

SeniorLink telephones, often referred to as community alarm telephones, give security and peace of mind to many older people and their carers. These specially equipped telephones connect a person from his/her home to Help the Aged's Response Centre where trained staff have access to relevant records and can organise any necessary help.

- response service is available 24 hours a day, 365 days a year
- 786 SeniorLink connections to the Response Centre since inauguration of service in July 1995
- 30,000 community alarm telephones have been provided by the Charity over the past 10 years
- ongoing commitment to provide SeniorLink for vulnerable older people of limited means

- **Home Safety**

Help the Aged's Home Safety scheme launched in 1991 continued to flourish with generous sponsorship.

- Eastern Electricity Home Safety campaign - 5,000 homes secured since 1993
- free home insulation for 400 elderly people with Southern Electric support
- Littlewoods Lotteries funded first home safety vans in North West region.

- **Home Truths Campaign**

With extensive experience of providing practical help for older people, Help the Aged launched its Home Truths Millennium Campaign. Home Truths draws together four successful strands of the Charity's work in the fields of:

- security in the home
- safety inside the home
- emergency contact from the home
- mobility outside the home
- target to raise extra £10 million by end of century to expand key services.

- **Support to Local Projects**

Help the Aged provides financial support to projects working with or for 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 are maximised.

³ Later, in July 1996, Customs and Excise appealed against the Ruling of the Tribunal. The appeal will be heard later in 1996 or in 1997.

- support totalling over £1.1 million made to local projects
- beneficiaries included day centres, transport and care services, hospices, home safety and security schemes, bereavement counselling schemes.

- **Project Fundraising**

Help the Aged works with charities and voluntary groups of all sizes, raising funds or providing fundraising advice for specific projects which help older people.

- Project Fundraising raised over £5.6 million
- partner charities gained valuable training and experience
- projects in the scheme included hospices, day centres, residential homes, community 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. During the year, Help the Aged took the decision to concentrate its international work 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 £1.5 million to support 15,000 older people in developing countries
- ophthalmic appeals raised £660,000 to restore sight and provide preventative eye care through funding eye camps and clinics, providing medicine and spectacles and training nurses and ophthalmologists
- fourth *World in Sight* appeal, run with Dollond & Aitchison, collected 350,000 pairs of glasses from the public
- winter appeal for Bosnia raised £60,000, funding work in former Yugoslavia
- the Charity supplied medicine, water, shelter and rehabilitation centres for 10,000 older refugees from Rwanda in Tanzanian camps through HelpAge International
- Help the Aged is a member of the UK Disasters and Emergencies Committee.

- **Campaigning**

As a leading organisation working for older people in the UK, Help the Aged has an important role in ensuring that their interests are represented at all levels. In 1995/96, the Charity increased its campaigning work on issues affecting older people through research, policy analysis, conferences and publications.

The key advocacy issue during this period was the funding of long-term health care:

- the Charity conducted detailed research and intensive political lobbying on this theme, helping to raise it to the top of the social and political agenda

- *Coming Clean on Care Costs*, the Charity's consultation document published in June 1995, suggested possible solutions to the funding crisis
- the Charity's response to Government proposals to fund long-term care received widespread media coverage.

The MORI survey on *Independent Living* commissioned by the Charity revealed that the vast majority of people over 65 prefer to live in their own home but need more support to live fulfilling lives.

- *Living Alone, Sharing Responsibility* conference held in July 1995

Help the Aged was also a pacesetter with its *Growing Old in the Countryside* campaign.

- campaign was culmination of five years' collaboration with Rural Development Commission
- projects focused on problems of older people in the countryside in order to develop good practice
- five, well attended, regional conferences on *Growing Old in the Countryside* brought together planners and providers from voluntary, statutory and private sector services
- 80 recommendations from rural conferences brought forward to a national conference in June 1996.

● Fundraising

During the year, Help the Aged employed an extensive range of fundraising methods and maximised many different sources of voluntary income. While general fundraising income was down £0.9 million, profit from Shops was up £0.9 million, and income from Legacies was up £1.0 million. The diversity of the Charity's projects depended not only on the energy and initiative of employees and volunteers but also on the generosity of individual and corporate donors and sponsors.

- commercial and trading operations were expanded in order to build the resources available for discretionary spending:
 - new range of insurance services launched for over-50s
 - 44 new shops brought the total to 321
 - over 4,500 volunteers work in Help the Aged's shops on a regular basis
 - £386,000 from Littlewoods Lotteries scratchcards funded Home Safety schemes and small community projects
 - £500,000 from Midlands Electricity plc funded 15 projects in MEB service area.
- Wills and Legacies Department raised £7.7million
- *Enduring Powers of Attorney and Guide to Estate Administration* published.
- the Charity initiated a wide range of fundraising events:
 - thousands of participants all over the UK joined in activities ranging from aerobics to abseiling, gliding to horse-riding, auctions to balls, art exhibitions to Dragon Boat races
 - student Rag volunteers collected in 60 towns and cities
 - Tunstall Golden Awards attracted a record 700 nominations; HRH The Princess of Wales presented the awards at a gala ceremony broadcast live on BBC Radio 2

- *The Observer* selected Help the Aged's Community Transport programme for its Christmas Appeal

- **Direct Mail**

In an increasingly competitive environment Help the Aged is one of the main charities within the Direct Mail arena. Building loyalty amongst donors with sophisticated recruitment and retention programmes is the key to maintaining and growing this core stream of income for the Charity.

- Direct Mail income reached £6.2 million this year from more than 200,000 donors
- new strategies for recruiting donors implemented including radio promotions
- Spring and Christmas mail order catalogues attracted over 30,000 orders.

- **Financial**

As the figures reveal, the financial climate this year was testing and difficult. The Charity was not able to match its record-breaking performance of 1994/95. Nevertheless, thanks to the hard work of Help the Aged's staff and volunteers and the commitment of its donors and supporters, the Charity raised the impressive overall figure of £47.9 million to sustain its vital work.

Incoming resources available dropped by £6.7 million from the previous year's £41.7 million to £35.0 million. The impact of the shortfalls in Project Fundraising and Other Donations, along with the absence of a Disaster Appeal were partly offset by a rise in profits from the Charity's Shops of £0.9 million and income from Legacies of £1.0 million. During the year, the Charity made direct charitable expenditure of £22.4 million. Innovative business ventures offered new services for older people designed both to cater for their needs and to generate income to further the work of the Charity. Help the Aged strengthened its links with industry and commerce, with sponsorship arrangements and corporate generosity playing an important part in funding services.

The Charity generated a net improvement in total funds of £1.3 million, of which £600,000 represented an increase to unrestricted funds.

- **Fixed Assets**

Details relating to changes in Fixed Assets are given in Notes 9 and 10 of the Notes to the Financial Statements.

- **Auditors**

A resolution for the re-appointment of Hays Allan will be put to the Annual General Meeting.

By Order of the Board



Stephen Burgess, Secretary
25 July 1996

FINANCIAL STATEMENTS - YEAR ENDED 30TH APRIL 1996
REPORT OF THE AUDITORS TO THE MEMBERS OF HELP THE AGED

We have audited the financial statements on pages 12 to 27 which have been prepared under the historical cost convention and the accounting policies set out on page 15.

Respective responsibilities of trustees and auditors

As described on page 3 the Charity's Trustees 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.

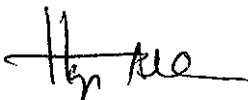
Basis of opinion

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 1996 and of its net movement in funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hays Allan
Chartered Accountants
Registered Auditor
High Holborn

25th July 1996

**HELP THE AGED
FOR THE YEAR ENDED 30TH APRIL 1996
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total 1996 £'000	Total 1995 £'000
Incoming resources						
Donations and gifts		5,086	13,956	–	19,042	26,875
Legacies receivable		6,826	872	–	7,698	6,647
Grants receivable		–	1,047	–	1,047	1,014
Sales of donated goods		16,438	–	–	16,438	12,003
Income from housing		2,660	–	–	2,660	3,693
Investment income	2	348	–	–	348	308
Net gain on disposal of tangible fixed assets		412	–	–	412	508
Net profit/(loss) from trading activities	3	233	–	–	233	(61)
Total incoming resources		32,003	15,875	–	47,878	50,987
Less: Costs of selling donated goods		12,874	–	–	12,874	9,296
Incoming resources available		19,129	15,875	–	35,004	41,691
Resources expended						
Direct charitable expenditure:						
UK and overseas aid programmes	4	2,393	14,274	–	16,667	21,428
Housing		3,212	–	–	3,212	4,509
Information, advocacy and education		872	–	–	872	444
Support costs		1,659	–	–	1,659	1,515
		8,136	14,274	–	22,410	27,896
Other expenditure:						
Fundraising and publicity		9,801	961	–	10,762	9,840
Management and administration of the Charity		569	–	–	569	608
		10,370	961	–	11,331	10,448
Total Resources Expended	5	18,506	15,235	–	33,741	38,344
Net Movement in Funds		623	640	–	1,263	3,347
Fund balances brought forward at 1 May 1995		17,491	5,786	517	23,794	20,447
Fund balances carried forward at 30 April 1996		18,114	6,426	517	25,057	23,794
Designated funds		14,581				
Other unrestricted funds		3,533				
		<u>18,114</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 1996
BALANCE SHEETS**

	Notes	Charity		Group	
		1996 £'000	1995 £'000	1996 £'000	1995 £'000
Fixed assets					
Tangible assets	9	29,157	27,595	29,192	27,641
Investments	10	93	93	16	16
		29,250	27,688	29,208	27,657
Current assets					
Property for realisation	11	364	553	364	553
Stock		–	–	211	231
Debtors:					
Amounts falling due within one year	12	1,982	1,939	2,211	2,008
Amounts falling due after more than one year	13	2,633	2,756	–	–
Cash at bank and in hand		5,024	5,407	7,463	8,105
		10,003	10,655	10,249	10,897
Creditors:					
amounts falling due within one year	14	2,329	2,826	2,703	3,099
Net current assets		7,674	7,829	7,546	7,798
Total assets less current liabilities		36,924	35,517	36,754	35,455
Creditors: amounts falling due after more than one year	15	6,322	6,243	6,322	6,243
Provisions for liabilities and charges	16	5,375	5,418	5,375	5,418
Net Assets	20	25,227	23,856	25,057	23,794
Capital fund					
Endowment	17	517	517	517	517
Income funds					
Restricted funds	18	6,426	5,786	6,426	5,786
Unrestricted funds:					
Designated fund	19	14,581	14,208	14,581	14,208
Other charitable funds		3,703	3,345	3,703	3,345
Non-Charitable trading funds	3	–	–	(170)	(62)
Total Funds		25,227	23,856	25,057	23,794


J Mather
Trustee


P Campbell Allen
Trustee

The Financial Statements were approved by the Board of Trustees on 25th July 1996.

HELP THE AGED
YEAR ENDED 30TH APRIL 1996
CONSOLIDATED CASHFLOW STATEMENT

	Notes	1996		1995	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	21		629		3,443
Returns on investment and servicing of finance					
Dividends and interest received		490		409	
Interest paid		-		(23)	
Interest element of finance leases		(68)		(42)	
Net cash inflow from returns and servicing of finance			422		344
Investing activities					
Purchase of tangible fixed assets		(2,742)		(2,325)	
Sale of tangible fixed assets		1,278		1,016	
Net cash outflow from investing activities			(1,464)		(1,309)
Net cash (outflow)/inflow before financing			(413)		2,478
Financing					
Net returnable deposits received/(repaid)		45		(208)	
Repayments of amounts borrowed		(18)		(596)	
Capital element of finance leases		(256)		(146)	
Net cash outflow from financing			(229)		(950)
(Decrease)/increase in cash and cash equivalents	22		(642)		1,528

**HELP THE AGED
YEAR ENDED 30TH APRIL 1996
NOTES TO THE FINANCIAL STATEMENTS**

I. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost basis and in accordance with the Statement of Recommended Practice (Accounting by Charities) and applicable accounting standards. The centrepiece of the new presentation is a Statement of Financial Activities which provides a more helpful format for charity accounts compared with the previous disclosure made in an Income and Expenditure account. Comparative figures have been adjusted for presentational purposes only.

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 and comprise:

Property Fund

This designation 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, shops, housing and care and of income from 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.

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 1996
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 1996
NOTES TO THE FINANCIAL STATEMENTS

	1996 £'000	1995 £'000
2 INVESTMENT INCOME		
Short term deposits	348	308

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 1996 £'000	Total 1995 £'000
Turnover	2,122	2,532	4,654	3,644
Cost of sales	-	1,285	1,285	1,263
Gross profit	2,122	1,247	3,369	2,381
Investment income	-	154	154	138
Total expenses	1,780	1,510	3,290	2,580
Profit/(loss) for the year	342	(109)	233	(61)
Deed of covenant	342	-	342	2
Retained loss for the year	-	(109)	(109)	(59)

4 UK AND OVERSEAS AID PROGRAMMES

	1996 Total £'000	1995 Total £'000
United Kingdom aid programmes		
Day centres	801	1,057
Health and medical	4,560	7,194
Minibuses	1,840	2,384
Housing and care projects	138	26
Seniorlink telephones	319	1,043
Heating grants	62	125
Gifts in kind	5	39
Community projects	564	925
Home safety	237	91
Elderly homelessness	55	-
Isolation	148	-
Other projects	748	505
Total UK programmes	9,477	13,389
Overseas aid programmes		
Refugees and disaster	1,291	2,270
Health and medical	813	689
Age care development	1,210	1,612
Gifts in kind	417	1,476
Support for Helpage International	1,016	883
Adopt a Granny	1,254	759
Urban destitution	-	286
Training	495	-
Organisational development	480	-
Information & advocacy	136	-
Other projects	78	64
Total overseas programme	7,190	8,039
Total charged to Statement of Financial Activities	16,667	21,428

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £'000	Other £'000	Depreciation £'000	Total 1996 £'000
Direct charitable expenditure				
UK and overseas aid programmes	210	16,447	10	16,667
Housing	1,926	1,263	23	3,212
Information, advocacy and education	341	531	-	872
Support costs	1,070	519	70	1,659
	3,547	18,760	103	22,410
Other expenditure				
Fundraising and publicity	4,402	6,001	359	10,762
Management and administration of the Charity	378	176	15	569
Total	8,327	24,937	477	33,741

HELP THE AGED
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6 STAFF NUMBERS AND EMOLUMENTS

	1996		1995	
	Full time	Part time	Full time	Part time
Average number of persons employed during the year was as follows:				
Shops	231	498	84	410
Other	373	264	357	257
	604	762	441	667

	1996	1995
	£'000	£'000
The aggregate emoluments of these persons were as follows:		
Salaries including benefits in kind	12,685	10,354
Social security costs	926	854
Pension scheme contributions	537	420
	14,148	11,628

	1996	1995
	Number	Number
The numbers of employees whose emoluments for the year fell within the following bands were:		
£40,000 to £49,999	4	6
£50,000 to £59,999	3	4
£60,000 to £69,999	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 £1,667 (1995:£1,487).
The number of Trustees reimbursed for travel expenses was 4 (1995: 5).

8 NET MOVEMENTS IN FUNDS

	1996	1995
	£'000	£'000
Net movement in funds is arrived at after charging:		
Depreciation of assets held under finance leases	268	139
Depreciation of other assets	1,122	901
Profit on disposal of fixed assets	412	508
Irrecoverable VAT	498	484
(the above includes £127,000 (1995: £165,000) for housing and care services)		
Auditors' remuneration:		
Audit	33	33
Other	24	24
Interest payable:		
Bank loans repayable after five years	-	23
Finance charges payable on finance leases	68	42
Operating lease rentals	3,540	2,963

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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 1995	24,994	3,399	2,113	2,052	32,558
Additions	1,368	716	1,127	405	3,616
Disposals	(446)	(18)	(324)	–	(788)
Transfers to properties for resale	(211)	–	–	–	(211)
At 30 April 1996	25,705	4,097	2,916	2,457	35,175
Depreciation					
At 1 May 1995	–	2,002	1,199	1,762	4,963
Charge for the year	–	522	625	232	1,379
Eliminated on disposal	–	(18)	(306)	–	(324)
At 30 April 1996	–	2,506	1,518	1,994	6,018
Net book value					
At 30 April 1996	25,705	1,591	1,398	463	29,157
At 30 April 1995	24,994	1,397	914	290	27,595
(b) Group					
Cost or valuation/donated					
At 1 May 1995	24,994	3,399	2,113	2,206	32,712
Additions	1,368	716	1,127	405	3,616
Disposals	(446)	(18)	(324)	–	(788)
Transfers to properties for resale	(211)	–	–	–	(211)
At 30 April 1996	25,705	4,097	2,916	2,611	35,329
Depreciation					
At 1 May 1995	–	2,002	1,199	1,870	5,071
Charge for the year	–	522	625	243	1,390
Eliminated on disposal	–	(18)	(306)	–	(324)
At 30 April 1996	–	2,506	1,518	2,113	6,137
Net book value					
At 30 April 1996	25,705	1,591	1,398	498	29,192
At 30 April 1995	24,994	1,397	914	336	27,641

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The net book value at 30 April 1996 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	23,833	–	20	26	23,879
Other	243	–	77	62	382
	24,076	–	97	88	24,261
Other purposes					
Shops	136	1,591	887	26	2,640
Other	1,493	–	414	384	2,291
	25,705	1,591	1,398	498	29,192

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

	1996 £'000	1995 £'000
Freehold	23,318	22,618
Long-leaseholds	2,387	2,376
	25,705	24,994

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:

	1996 £'000	1995 £'000
Motor vehicles	561	442
Computer equipment	–	25
	561	467

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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 1995 and 30 April 1996	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%
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	Charity		Group	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
11 PROPERTY FOR REALISATION	364	553	364	553

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

Tax repayments	436	442	468	475
Subsidiary undertaking	20	9	-	-
Other debtors	457	468	756	575
Prepayments and accrued income	1,069	1,020	987	958
	1,982	1,939	2,211	2,008

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

Prepayments and accrued income	2,633	2,756	-	-
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	Charity		Group	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Deposits from housing residents				
repayable on change of occupancy	32	44	32	44
Interest-free loans	10	28	10	28
Subsidiary undertaking	129	138	-	-
Other creditors	939	1,075	1,114	1,171
Obligations under finance leases	249	225	249	225
Accrued expenses and deferred income	651	1,028	817	1,287
Taxes and social security	319	288	481	344
	2,329	2,826	2,703	3,099

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Deposits from housing residents				
repayable on change of occupancy	6,000	5,943	6,000	5,943
Obligations under finance leases	322	300	322	300
	6,322	6,243	6,322	6,243

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

Between one and two years	192	159	192	159
Between two and five years	130	141	130	141
	322	300	322	300

16 PROVISION FOR LIABILITIES AND CHARGES

Charity	Maintenance £'000	Care £'000	Total £'000
At 1st May 1995	779	4,639	5,418
Costs	(190)	(763)	(953)
Increase in provision charged to Statement of Financial Activities in year	248	662	910
At 30th April 1996	837	4,538	5,375

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17 ENDOWMENTS

	Balance 1st May 1995	Incoming Resources	Gains/Losses and Transfers	Balance 30th April 1996
	£'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 1995	Incoming Resources	Expenditure	Balance 30th April 1996
	£'000	£'000	£'000	£'000
United Kingdom Aid Programmes				
Day centres	129	793	856	66
Health and medical	22	4,983	4,909	96
Minibuses	361	1,717	1,768	310
Housing and care projects	1,026	411	167	1,270
Seniorlink telephones	457	246	336	367
Heating grants	127	56	66	117
Gifts in kind	–	5	5	–
Community projects	895	840	623	1,112
Home safety	38	928	302	664
Elderly homelessness	–	138	65	73
Isolation	–	187	161	26
Other projects	469	670	618	521
Overseas Aid Programmes				
Refugees and disaster	1,366	413	1,255	524
Health and medical	266	1,098	864	500
Age care development	49	863	833	79
Gifts in kind	–	417	417	–
Adopt a Granny	569	1,457	1,334	692
Training	–	495	495	–
Organisational development	–	7	7	–
Information & advocacy	–	136	136	–
Other projects	12	15	18	9
	5,786	15,875	15,235	6,426

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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 1995	New Designations	Utilised/ Realised	Balance 30th April 1996
	£'000	£'000	£'000	£'000
Housing	12,306	373	–	12,679
Headquarters	1,902	–	–	1,902
	<u>14,208</u>	<u>373</u>	<u>–</u>	<u>14,581</u>

The designated funds are calculated as follows:

	Housing £'000	Headquarters £'000	Total £'000
Total valuation – Net book value	23,286	1,902	25,188
Less:			
Returnable deposits	6,032	–	6,032
Gifted housing – net book value	4,575	–	4,575
	<u>10,607</u>	<u>–</u>	<u>10,607</u>
	<u>12,679</u>	<u>1,902</u>	<u>14,581</u>

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 1996 are represented by				
Tangible fixed assets	28,675	–	517	29,192
Investments	16	–	–	16
Current assets	3,823	6,426	–	10,249
Current liabilities	(2,703)	–	–	(2,703)
Long-term liabilities	(11,697)	–	–	(11,697)
Total Net Assets	<u>18,114</u>	<u>6,426</u>	<u>517</u>	<u>25,057</u>

HELP THE AGED
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1996
£'000

1995
£'000

21 NET CASH INFLOW FROM OPERATING ACTIVITIES

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

Increase in Charity funds	1,263	3,347
Dividends and interest receivable	(495)	(446)
Interest payable	-	23
Depreciation charge	1,390	1,040
Profit in disposal of tangible fixed assets	(412)	(508)
Donated property	(504)	(1,709)
Net (decrease)/increase in provisions	(43)	1,614
Increase in debtors	(198)	(844)
(Decrease)/increase in creditors	(392)	1,059
Decrease/(increase) in stock	20	(133)
	629	3,443

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	1995	1996	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	8,105	7,463	642

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 £537,211 (1995 £419,892).

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 employers contribution rates remain at 6% p.a. and 12.7% respectively.

**HELP THE AGED
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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	1996 Total £'000	1995 Total £'000
Within one year	71	-	71	75
One to five years	318	53	371	350
After five years	3,483	-	3,483	2,850
	3,872	53	3,925	3,275

26 CAPITAL COMMITMENTS

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

	1996 £'000	1995 £'000
Contracts placed:		
Housing	1,429	-



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