

Reference and Administrative Details

Founder and President:	HRH The Prince of Wales
Company registration:	4184314
Charity registration number:	261794-2 (linked with National Council on Ageing)
Registered Office:	Astral House 1268 London Road London SW16 4ER
Trustees:	Pauline Norton (chair) Richard Ian Baker Professor Mark Hart Philip Longworth Ian Nowell (resigned 30 th April 2009)
Company Secretary:	Mark Lywood
Chief Executive:	Laurie South
Bankers:	Lloyds Bank TSB 40 Rosslyn Hill Hampstead London NW3 1NL
Solicitors:	Bates Wells and Braithwaite 2 – 6 Cannon Street London EC4M 6YH
Auditors:	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP
Senior Management Team	Laurie South CEO Peter Bennie Director of Operations Mark Lywood Director of Financial Development
Websites	www.primebusinessclub.com www.primeinitiative.org.uk

TRUSTEES' REPORT

The Trustees of The PRIME Initiative present their annual report together with the audited financial statements for the year ended 31st March 2009.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The President of PRIME is His Royal Highness, The Prince of Wales, who played a proactive role in founding PRIME, and who maintains an active interest in the development of PRIME. PRIME is proud to be a committed member of the Prince's Charities Group, which brings together the charities of which HRH The Prince of Wales is President.

PRIME is a registered charity, a subsidiary charity, linked with the National Council on Ageing (trading as Age Concern). PRIME is also a company limited by guarantee with the National Council on Ageing as its sole member. It is governed by its own Memorandum and Articles of Association and makes its own returns to Companies House and the Charity Commission. Trustees of PRIME are elected at the charity's Annual General Meeting, with PRIME identifying individuals bringing the expertise identified as necessary for the proper effective and efficient running of the charity. In the nomination of trustees, The Charities Office at Clarence House and the National Council on Ageing are consulted. The chair is formally appointed by HRH The Prince of Wales.

In the course of its eight meetings in 2008/09 (six 2007/08), with board attendance of average 78% (2007/08 96%) the board reviewed and determined the strategy and the broad areas of activity for the charity. The board has continued to review and update a risk register which is regularly considered both by the board of trustees and by the senior management team. The aim of such a review is both to identify new risks and to update procedures on risks already identified. The board has continued the process of self-evaluation established in 2006-07, and has determined that each trustee should take on an area of specialisation which they will champion on behalf of the board. The board has established a Code of Good Governance, a job description for trustees and an induction process for new trustees.

The board is cognisant of its environmental impact and has been working with the Prince's Charities Group to monitor the environmental effect of staff travel during the year as part of its policy to minimise its environmental impact under its Environment Policy.

The day to day running of the organisation is delegated to the Chief Executive by the Board under a scheme of delegation.

The trustees have prepared this report in the light of the Charity Commission's guidance on public benefit and note that PRIME's objectives, activities and performance meet the public benefit guidance.

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

PRIME's objective is to promote self employment as an option for the over 50s, particularly those who are unemployed or in danger of becoming unemployed. Its mission is:

to ensure everyone aged 50+ has the opportunity for financial, social and personal fulfilment through sustainable self-employment, business or social enterprise.

PRIME has continued to raise awareness that we are in an ageing society and that this impacts very significantly on the 50+ labour market. Currently the 50 - State Pension Age (SPA) cohort constitutes one quarter of the working age population. By 2026 it will constitute one third of the working age population. However, already nearly one in three of the 50 – SPA cohort is workless. This is higher than for any other age cohort. Unless there are radical changes in the labour market, worklessness will worsen for this age cohort. Even if the percentage of worklessness remains constant, the actual number of workless will continue to rise. Over 50s are more likely to remain in long-term worklessness than any other age group. Promoting self-employment and enterprise is therefore a vital strategy for combating worklessness and the poverty and ill-health that is its corollary.

PRIME is aware that a number of the over 50s already have the opportunity for financial, social and personal fulfilment through sustainable self-employment by virtue of their life experiences. PRIME therefore targets its activities on those that are at a disadvantage and require help and assistance to realise the opportunities to start their own businesses or enterprises. PRIME monitors the degree to which it is helping those at a disadvantage by taking a sample survey of those with whom it is in contact. The sample collates data on worklessness, pension prospects, housing, dependents and other indicators of disadvantage.

The trustees of PRIME are proud of the public benefits its work in promoting, delivering and researching 50+ self-employment and enterprise bestows. PRIME directly:

- (i) takes people who have been, or who are in danger of being, on welfare or in poverty, out of financial hardship and removes a economic burden from the community:
- (ii) helps remove the likelihood of physical sickness, mental illness, and social exclusion to which the workless are prone.

PRIME, as a result of its work, also:

- (i) enables new businesses to grow which will employ other people:
- (ii) helps foster regeneration in a community:
- (iii) creates competitiveness in the UK economy which will help the country to thrive in the global economy:
- (iv) increases financial independence amongst the over 50s
- (v) provides enterprise role models in a community

The way PRIME approaches its objective and mission falls under four categories or areas of work activity.

- (i) **The PRIME campaign** – to create awareness and lobby for improved opportunities for the 50+ who are at a disadvantage
- (ii) **The PRIME delivery** – to provide, in particular, pre-enterprise along with some post-enterprise help, advice and support to those aged 50+ who need assistance beyond the mainstream provision by providing a complementary service
- (iii) **The PRIME understanding** – to collect and disseminate best practice and to research 50+ self-employment and enterprise
- (iv) **The PRIME management and governance** - to provide an efficient and effective governance and management which ensures PRIME makes a significant impact in fulfilling its mission

PRIME works in England, Northern Ireland and Scotland. Delivery of some of PRIME's services in Scotland has been constrained by a lack of funding for staff on the ground in Scotland. However it is in talks with Scotland's Futures Forum (the civil servants charges with policy on older people) and the staff of the newly merged Age Concern and Help the Aged Scotland. The work of The PRIME Initiative in Wales is undertaken by a sister organisation in The Prince's Charities Group, The PRIME Trust (Cymru), trading as PRIME Cymru, with which PRIME works very closely.

(i) The PRIME Campaign

During the year 2008-09 PRIME has continued to promote the importance of self-employment through lobbying, the media, presentations and conferences. Some of the examples below show that PRIME is becoming an influential and respected voice for 50+ self-employment and enterprise in the UK, and is having an impact on a culture which has yet to fully embrace olderpreneurship.

The highlight of 2008-09 was the development of a key corporate partnership with Bank of America Charitable Foundation. To mark the partnership PRIME worked with Bank of America on a joint press release which put the work of PRIME and its partnership with Bank of America in front of over 37 million people in the UK. This was the first major corporate to recognise the importance of PRIME's work and respond in a significant way. Bank of America is working closely with PRIME to

ensure that there is wider understanding of the issues in society, government and industry.

In the White Paper "Enterprise: unlocking the UK's talent" March 2008 the Department of Business, Enterprise and Regulatory Reform (BERR) stated: "The Government will work with Enterprise Insight, PRIME (the Prince's Initiative for Mature Enterprise) and South East England Development Agency to develop a campaign to encourage older people to realise the benefits of unlocking their talent and exploiting their skills and knowledge to be active in enterprise." Subsequently in 2008-09 PRIME was collaborating with BERR to ensure there was an active 50+ dimension to Enterprise Week. PRIME worked closely with Enterprise Insight and the North West Development Agency to research, understand and segment the market for potential olderpreneurs, and develop messages that appealed to the different segments. This will help improve the targeting of PRIME's messages and marketing in the future.

PRIME responded to an interim report produced by local authorities for the government on the local authority response to worklessness. PRIME was successful in ensuring that the final report included a recommendation on the need to assess 50+ worklessness. The over 50s had not been mentioned in the interim report.

The North West Development Agency (NWDA) contracted PRIME to work with them on the development of an Olderpreneurship Strategy. This was an important breakthrough because it was the first Regional Development Agency (RDA) to recognise that olderpreneurship required a strategic response to inform practice that would otherwise lack focus and direction. The strategy will be launched in 2009-10. Working with the North West Development Agency and BERR, PRIME met with representatives from the RDAs and their equivalent bodies in Scotland, Wales and Northern Ireland, to discuss the ageing society and the need to find enterprise solutions for the workless over 50s. BERR urged all authorities to emulate the work of PRIME in the North West on olderpreneurship.

Unltd, the charity that seeks to unleash social entrepreneurs by identifying and funding them, approached PRIME to work with it to ensure, in the face of minimal funding to people aged 50+ that more people over 50 applied for grants.

During 2007-08, as stated in the 2007-08 Trustee's Report, PRIME launched www.primebusinessclub.com, a website aimed at those aged over 50 considering, planning or having started a business. During 2008-09 PRIME re-designed its website designed to give information about its work and role (www.primeinitiative.org.uk). The new website contains a video message from PRIME's President, HRH, The Prince of Wales.

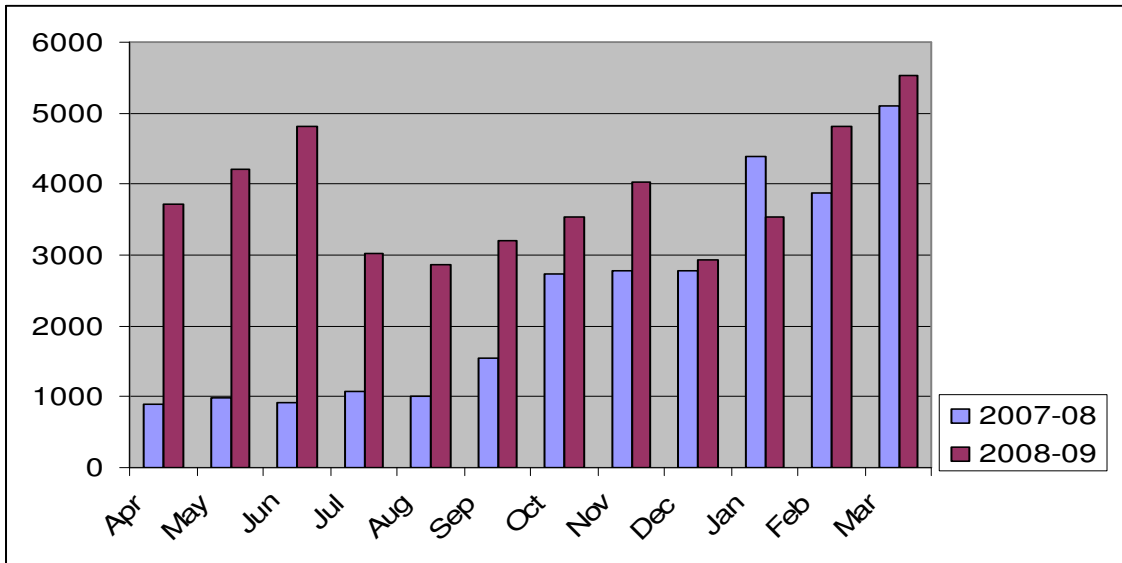


Chart 1: Growth of unique visitors to www.primebusinessclub.com 2007-09

Chart 1 shows the growth of unique monthly visitors to the www.primebusinessclub.com website over two years. There has been a 64 per cent increase in unique visitors, from just over 26,000 in 2007-08 to just over 46,000 in 2008-09. Content on the site was being developed between April 2007 and September 2007.

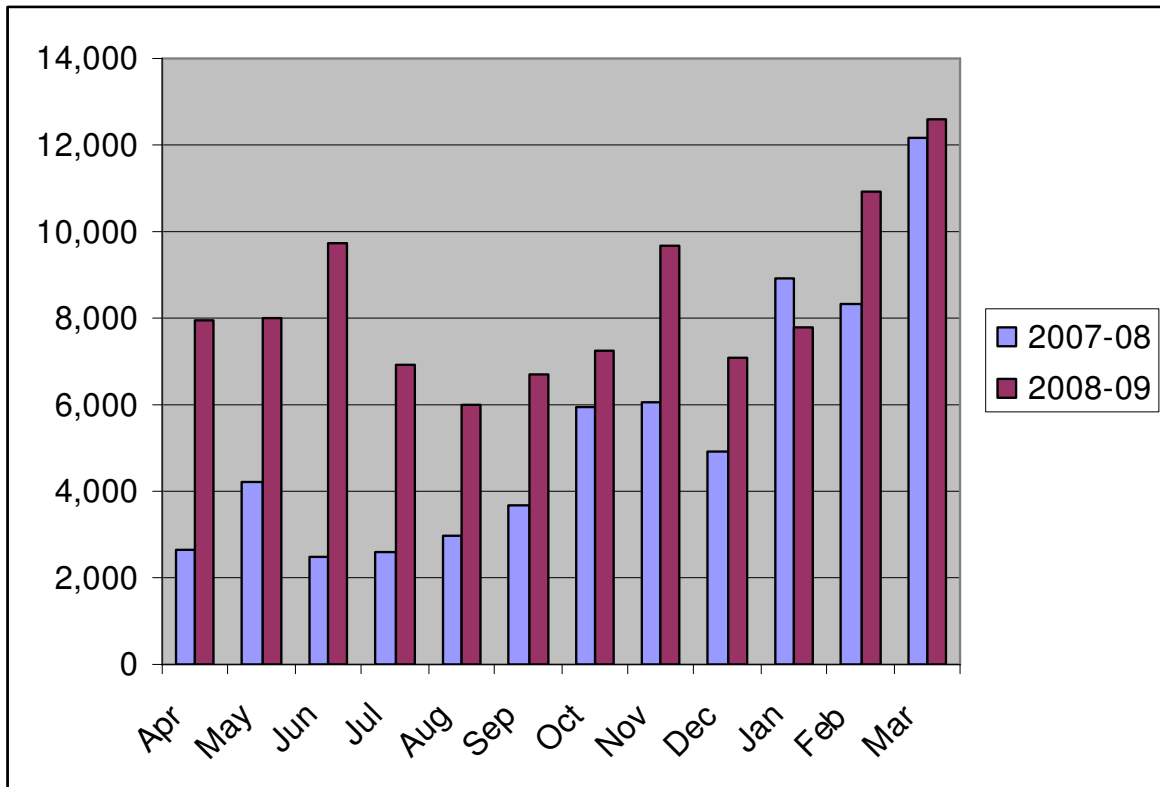


Chart 2: Growth in monthly page downloads 2007 to 2009

There has been an increase of pages downloaded of 54 per cent between 2007-8, when there were just under 65,000 pages downloaded, and 2008-09, when there were over 100,000 pages downloaded.

Statistics for www.primeinitiative.co.uk have not been collated because this website is designed for people who want to find more about PRIME. www.primebusinessclub.com, on the other hand, is designed as a more interactive site.

(ii) The PRIME Delivery

During 2008-09 PRIME re-planned its offer of support to individuals in response to changes in demand. There had been a marked shift away from the contracts that asked PRIME to deliver multiple activities in specific regions or nations (e.g. Yorkshire and Humber), to local area funding with a more concentrated style of delivery that focussed on small group and one-to-one help (e.g. Doncaster, Sheffield) or to more strategic work (e.g. NWDA).

The delivery model that PRIME adopted in 2008-09 reflected the need to provide general help to individuals aged 50+ across the regions and nations but then provide a range of services that became increasingly more concentrated to reflect the specific needs of individuals.

The delivery model consists of:

- (i) a **universal offer** of guides and workbooks to any-one who requires help:
- (ii) a series of **road-shows** for those who respond to a more personal approach:
- (iii) a **pre-enterprise mentoring** offer for those that are making the leap from unemployment or work to enterprise, and need individual assistance:
- (iv) a **loan** offer:
- (v) a series of **personal development workshops**
- (vi) **concentrated support** in a small group or one-to-one setting for those needing much greater individual assistance

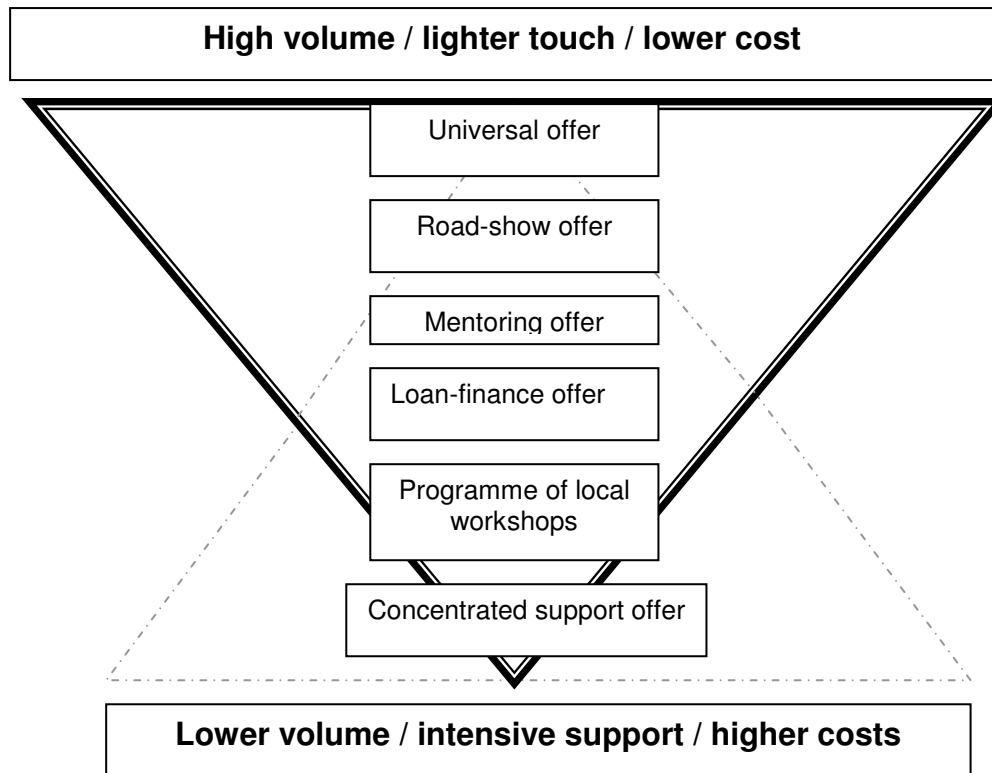


Fig. 1 PRIME delivery model

This model enables PRIME to provide according to individual need. The Bank of America Charitable Foundation grant in 2008-09 has enabled PRIME to develop the road-show offer, the mentoring offer and the loan offer. The intensive support offer is most likely to be supported only in areas where there is specific funding (e.g. under a LEGL programme, Working Neighbourhood Fund or Flexible New Deal).

(i) Universal offer

The universal offer relies on PRIME getting its message out amongst people who will benefit from its services. Table 1 shows it is able to do this with increasing effect. During 2008-09 PRIME has delivered fewer road-shows and exhibitions catering for regional areas, and so has had to rely on ensuring its web-site is easily found, on referrals from Job Centre Plus and other intermediaries, and on media exposure.

Yr\Quarter	Apr-Jun	Jul-Sep	Oct-Dec	Jan - Mar	Annual	Increase	% increase
2003-04	103	94	90	256	543		
2004-05	177	202	360	481	1220	677	124.68
2005-06	367	231	328	456	1382	162	13.28
2006-07	441	362	352	550	1705	323	23.37
2007-08	544	608	593	1091	2836	1131	66.33
2008-09	724	523	861	958	3066	230	8.11

Table 1: Central data-base of PRIME clients

The central data-base now contains people who have contacted PRIME as opposed to people PRIME met through its events outreach work. This is a reflection on the

post April 2008 decrease in RDA contracts under which PRIME was contracted to engage people on behalf of the regional Business Link, and the development of more concentrated specialist work.

Year	Phone	Web	Letter	Events	Not stated	Total
2004/5	60.26	8.33	3.77	27.55	0.09	100.00
2005/6	55.84	9.87	0.94	31.91	1.44	100.00
2006/7	49.61	9.6	2.29	31.74	6.76	100.00
2007/8	26.74	29.58	7.65	17.96	18.07	100.00
2008/9	19.71	65.59	1.08	9.38	4.24	100.00

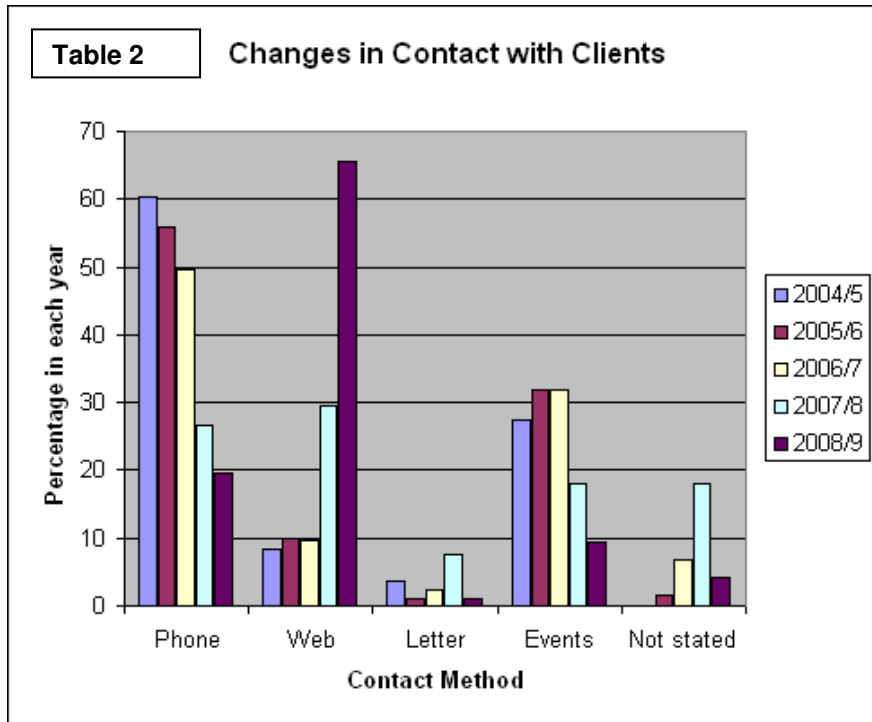


Table 2: Changes in the way in which the over 50s contact PRIME

Basically in 2008-09 PRIME has replaced outreach events funded by an RDA with a successful web-based enquiry approach.

(ii) Road-shows and workshops

During 2008-09 PRIME continued to work in partnership with Her Majesty's Revenue and Customs (HMRC) through a national roadshow programme and through local events, and made further progress in influencing HMRC to target support for the over 50s. In total PRIME was working at or ran itself one national exhibition, 14 roadshows, and 23 specialist workshops. The specialist small workshops were concentrated in Northern Ireland, Yorkshire and Humber and West Midlands where PRIME had contracts to run intensive support programmes.

Region / Nation	No.		No.	Title of Event
East	1		1	National exhibition
East Midlands	3		12	HMRC Business Advice Days
London	1		2	Essential Business Day
North East	0		5	Is self-employment right for you?
North West	3		2	Business Networking
South East	2		10	Start your own business
South West	1		1	IT and business
West Midlands	4		4	Working for yourself
Yorkshire & Humber	17		1	Confidence & motivation
Northern Ireland	6			
TOTAL	38		38	

Table 3: Events run by region/nation and by title of event

(iii) Loan Facility

Sponsorship from Bank of America Charitable Foundation enabled PRIME to negotiate a peer-to-peer loan scheme with www.zopa.com. Zopa is a loan broker, putting lenders in touch with borrowers who have a very strong credit-rating, and allowing them to negotiate the interest rate. The Zopa-PRIME olderpreneur loan facility addresses the needs of PRIME clients with a less favourable credit rating. PRIME ensures there is a robust business plan before working with Zopa to put the proposal onto the Zopa website. By establishing the Prince of Wales Enterprise Endowment with an initial grant from Bank of America Charitable Foundation, PRIME is able to guarantee 50% of any outstanding capital.

The scheme was negotiated and launched on the PRIME website in 2008-09 ready for a much fuller launch in 2009-10. This will ensure problems have been ironed out of what is a radically innovative scheme.

(iv) Mentoring

During 2008-09 PRIME ran pre-enterprise mentoring schemes in Northern Ireland (funded under a contract with Invest Northern Ireland) and in the Black Country (funded as part of the sponsorship under Microsoft's Unlimited Potential scheme). These pilots helped PRIME gain the experience to put pre-enterprise mentoring onto a more substantial footing. With sponsorship from Bank of America Charitable Foundation, two part-time development officers were appointed at the end of 2008-09 and work has started on the development of pre-enterprise mentoring, initially through industries that offer time off to their staff to undertake volunteering activity.

(v) Intensive support offer

During 2008-09 PRIME negotiated contracts in Sheffield, Doncaster, and North East Derbyshire to provide the intensive support that people aged 50+ in areas of disadvantage need if they are to be able to lift themselves out of relative unemployment, the threat of redundancy or welfare dependency. Microsoft sponsorship of PRIME's concentrated support work in the Black Country under their Unlimited Potential community social responsibility programme continued into its

third year. During the year PRIME also negotiated sub-contracts with 14 major providers (not all of whom will be contracted in May 2009) to provide concentrated self-employment support for the over 50s under the Flexible New Deal for the long-term unemployed which will start in October 2009.

(iii) The PRIME understanding

PRIME has continued, in conjunction with Kingston University's Small Business Research Centre, to sample the people with whom it is in contact to build a picture of the typical PRIME client.

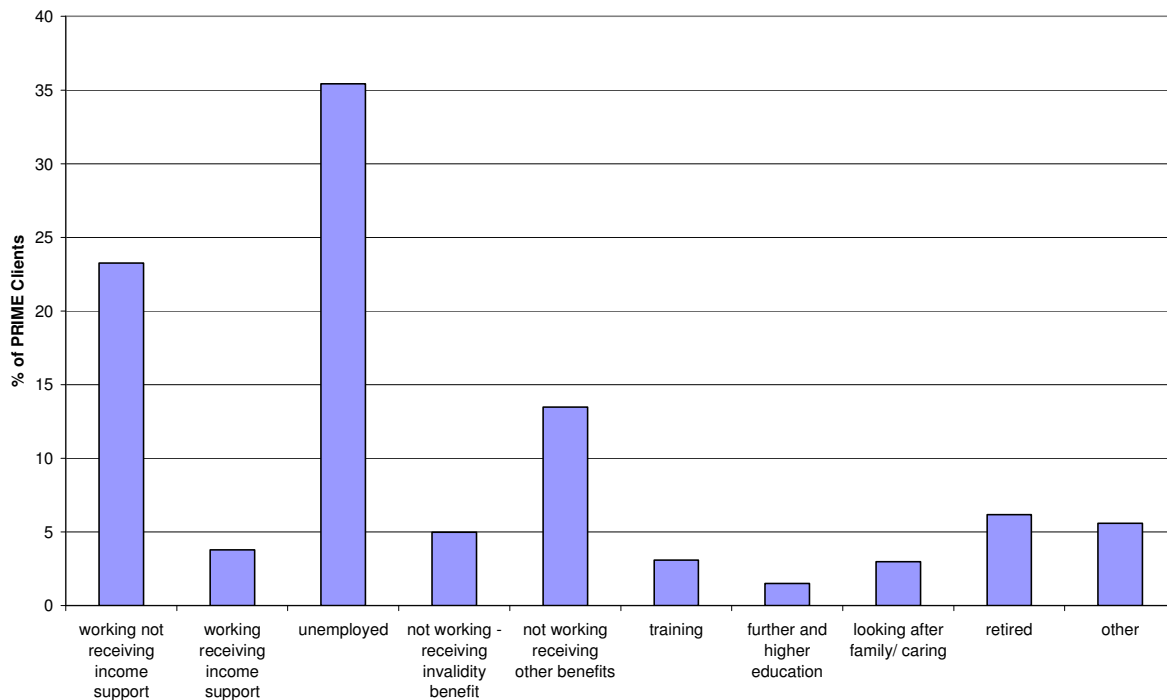


Table 4: Occupational status of PRIME clients Sept 2005- April 2009

These data show that over 75 per cent of PRIME's clients were workless or in jobs which were subsidised by a back to work scheme (and therefore likely to be short-term). Just over 35 per cent were registered unemployed, though in the first quarter of 2009 this had risen to 43 per cent.

The data shows that about a third of PRIME's clients are women, and 20 per cent are from minority ethnic groups (MEG). Of PRIME's male clients just under 15 per cent were from the MEG population whereas from PRIME's female clients, just under 25 per cent were from the MEG population.

PRIME has a data-base of contacts (from which the above survey is drawn). The 2008-09 data have been analysed further. Of the 3,066 contacts, PRIME has data on the employment status of approximately one third. While PRIME seeks data from all contacts people are not always willing to give information. PRIME has taken the decision not to expend resources on gathering full data because the sample data indicates that PRIME is predominantly reaching its target market.

Total number with employment status recorded	1034	34 per cent
Total number workless	819	79 per cent
Total number in work	219	21 per cent
Total number in work falling under restricted funds (non-charitable)	72	7 per cent
Total number in work falling under charitable funds	147	14 per cent

Table 5: Nos. of beneficiaries April 08 – March 09 in work or workless

Data on employment status was available for one third of the beneficiaries. Of these 79 per cent were workless. When the number in work were analysed to determine whether they were in areas where PRIME was working under a contract (defined as restricted funds in the financial report), it was found that one third of those in work were beneficiaries under restricted funds. This means that only 14 per cent of the beneficiaries for whom we have data were both in work and assisted by funds that were defined as “non-restricted”. This does not, of course, show how many of these 14 per cent were under threat of redundancy. In the opinion of PRIME, to expend further funds to determine the employment status of all beneficiaries would be to divert money from providing direct public benefit into administrative costs to little purpose.

The data confirm that PRIME's main beneficiaries are the over 50s who are workless and that PRIME is meeting its charitable objectives.

Under the partnership, Bank of America Charitable Foundation commissioned a survey into attitudes towards olderpreneurship. Some of the data was used in launching the partnership but PRIME wrote a full report of the data in “Generations Forgotten” (available on www.primeinitiative.co.uk). The survey showed that ageist attitudes in society made it very hard for over 50s to contemplate entrepreneurship, but there really were significant numbers who would consider self-employment if they knew there was tailored help available. The report gained considerable publicity including an article in the Daily Mirror.

Working with the Global Entrepreneurship Monitor (GEM) PRIME was able to insert a question in the 2008 survey which asked those aged 50+ who were planning or had just started a business whether they were aware of PRIME and whether they had made contact. The data showed that 3.7 per cent of the 50 – 65 age cohort (i.e. over one-third of a million) were planning or had recently started a business and 21.8 per cent were aware of or knew about PRIME (i.e. over 70,000) with 3 per cent (i.e. about 2,200) making contact with PRIME. This does not show the full extent of awareness of PRIME but it does show awareness in a particular segment of PRIME's target market. It also provides a baseline from which to monitor future progress through the GEM survey.

PRIME has worked closely with Enterprise Insight (the organisation that co-ordinated Enterprise Week) in segmenting the potential 50+ enterprise market, and understanding the characteristics of over 50s with different motivations. This will enable better targeting of messages and literature. The results will be published in 2009.

An evaluation of our work in the North West was commissioned in accordance with the contract with NWDA at the end of 2008-09. This will be available in 2009-10.

(iv) The PRIME management and governance

During 2008-09 the trustees and the senior management team both met regularly. The trustees and all staff met in October 2008 to review the future strategic and operational plans in the light of the partnership with Bank of America Charitable Foundation. A key consideration which will impact on 2009 -10 and future years was to build on this opportunity to grow PRIME and to ensure that a fund-raising capacity was developed, driving future expansion. During 2008-09 fund-raising skills were being developed within PRIME and a fund-raising task group was established. PRIME also worked on a major Interreg bid for submission in 2009 -10.

During 2008-09 the National Council on Ageing and Help the Aged planned a merger for 1st April 2009. This merger has now taken place and as such, PRIME is now part of Age UK. As PRIME is a linked charity to the National Council on Ageing the merger will have an impact. An agreement was negotiated under which the new charity (Age UK) will continue to fund PRIME for two years at the same level as in 2008-09 while talks on the future relationship can take place.

The Board has continued to monitor its own effectiveness using a rolling self-assessment pro-forma to ensure continuous development.

In 2008-09 PRIME was working towards the quality assurance mark Customer First. However it became apparent, given the pre-enterprise role that was becoming more important in PRIME's delivery, that the Matrix was more appropriate to PRIME's work and activities, and had wider recognition. PRIME has therefore been working towards Matrix accreditation with a view to assessment in 2009-10.

IMPACT AND PUBLIC BENEFIT

PRIME's charitable objectives focus the organisation's work on those aged 50+ who are unemployed or in danger of being made unemployed. The data available from the questionnaire completed by clients contacting us showed that approximately 80 per cent of those seeking help were out of work or receiving income support. Set alongside the data gathered on the outcomes of those that sought PRIME's help, the strong impact of PRIME's work is demonstrable. Although there are regional differences, PRIME can assert on the basis of research it undertook in 2006 ("Olderpreneur Outcomes" available on www.primeinitiative.co.uk) that of those seeking PRIME's assistance:

- 43 per cent go on to start a business within 12-18 months
- 30 per cent are still considering it but have been diverted from their plans
- 27 per cent decide that self-employment is not for them

In 2008-09 PRIME talked to and gave direct assistance to approximately 3,000 people from its central support office or by its regional staff.

For the first time in 2008-09 PRIME was able to measure its impact on its target market by inserting an awareness question in GEM. The data showed that just under 22 per cent of those who were over 50 and were planning to start a business were aware of PRIME and 3 per cent had contacted PRIME.

PRIME's long-running campaign for 50+ enterprise to be included in Enterprise Week was successful in 2008-09.

PROGRESS ON 2008 – 09 PLANS

In the Trustees Report of 2007-08 the Board set out five targets for 2008-09.

1. To join Education Insight and South East England Development Agency (SEEDA) and mount a campaign promoting 50+ enterprise to the over 50s.

PRIME worked with BERR, the RDAs and Enterprise Insight to mount the first 50+ Enterprise Week as part of Global Enterprise Week in November 2008.

2. To increase the geographic spread of PRIME within the UK – covering two more regions – and to mount a campaign to take PRIME into Scotland

PRIME has held regular meetings with RDAs individually and collectively. RDAs were urged by BERR to consider working with PRIME as a key part of their enterprise strategies and their response to the challenges of an ageing society. PRIME worked with Age Concern Scotland, unsuccessfully in the eventuality, to seek a meeting with key ministers

3. To follow-up the Smallwood Report with a conference leading to a national task group.

Considerable work has gone into this and a conference, working with BERR, DWP, industry and the nations of the UK will take place in 2009-10 to coincide with the launch of the government's new ageing society strategy

4. To complete a business review for the period 2009-2013 in the light of the major changes taking place in business support.

A Strategic Plan 2009-2013 was agreed by the Board

5. To recruit a commercial strategic partner

A three year agreement was signed with Bank of America Charitable Foundation

PLANS FOR 2009-10

The Bank of America grant provides PRIME with an opportunity to expand its offer. It is planned to invest in and increase its capacity in the following areas which relate to Figure 1 on page 8 (above):

- (i) road shows
 - (ii) mentoring
 - (iii) micro-loans
 - (iv) programmes of local workshops
1. To deliver the Conference / Policy Workshop which will lead to a 50+ enterprise manifesto in co-operation with DWP and BERR
 2. To be assessed for Matrix accreditation
 3. To improve the brand awareness of PRIME amongst those just or about to start a business as measured by the GEM research as a proxy for a more general brand awareness
 4. To increase the number of initial contact enquiries by 10 per cent
 5. To improve PRIME's influence across the four nations and across the regions of England
 6. To deliver pre-enterprise mentoring in at least two regions working with volunteers from industry
 7. To increase the number of road-shows, training workshops and events by 25 per cent.

FINANCIAL REVIEW

2008-09 was marked by the launch of the partnership with Bank of America Charitable Foundation. This is a three year partnership, with grant income of £1.5million over this period to enable PRIME to capacity build across the UK with the aim of becoming the lead organisation in olderpreneurship. It also includes an additional £0.5 million grant to initiate a loan scheme.

There was a change in the type of contracts agreed in 2008-09. Whereas in previous years PRIME had secured contracts with RDAs to raise awareness and to pre-entertain events, in 2008-09 there was a switch to strategic contracts with RDAs and concentrated local delivery. At the same time PRIME was very active in developing opportunities for the future. Negotiations with all the contractors interested in the major contracts for Flexible New Deal (FND) resulted in PRIME being included in 12 of the 20 bidders for the 14 areas in England and Scotland where FND will be rolled out from October 2009.

The Statement of Financial Activities for the year shows a surplus of £1,345,900 (2007/08 surplus £32,765). The main movement for this increased surplus is due to grant income from the Bank of America Charitable Foundation of £1.5million, of which, unspent funds as of 31st March 2009 are £1,393,317. These Bank of America Charitable Foundation carried forward values are defined as £0.5million, restricted for the loan facility, and £893,317 which has been designated over the next nineteen months to ensure PRIME becomes the lead organisation in olderpreneurship. Without these unspent Bank of America Charitable Foundation funds, PRIME would show an in year deficit of £47,417.

PRIME's total income increased to £2,051,448 (2007/08 £758,586). Excluding the £1.5million grant income received from the Bank of America Charitable Trust, PRIME saw a reduction of 29.20% in its core income streams (excluding investment and other income) to £535,747 (2007/08 £756,750). PRIME's expenditure decreased by 2.83% to £705,548, (2007/08 £725,821) which includes expenditure supported by brought forward restricted reserves of £68,025: excluding this value, the expenditure decreased by 12.20%. Expenditure has not reduced in line with the income reductions due to PRIME maintaining its full offer of support services, whilst it waited secured funding from the Bank of America Charitable Foundation.

The Trustees fully understood that in 2008/09 PRIME would be required to utilise its reserves to maintain the organisation while awaiting finalisation of the Bank of America Charitable Foundation grant. The Trustees had assessed the risk and determined that it was more prudent to use reserves in maintaining an organisation that was best able to use the Bank of America Charitable Foundation to develop PRIME, than to lose the skills needed to develop the organisation, but maintain reserves. Trustees anticipate that this investment of reserves will result in growth in the longer term. In the event PRIME has finished the year with a reduction of its unrestricted reserves to £44,448 (2007/08 £85,625).

The trustees have reserves in order to give financial security, to ease the cashflow and to enable the charity to cope with setbacks or take advantage of opportunities.

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

The Trustees consider PRIME should build up, by 2010, sufficient reserves to enable it to fund a minimum of three months and a maximum of six months running costs at any one time. To this aim, PRIME will begin to establish in year 09/10 revenue streams in training/mentoring and publications to increase the reserves values. The Reserves Policy uses two measures, General Reserves (all unrestricted funds) and Liquid Reserves (non designated unrestricted funds). The General Reserves figure is therefore £937,940 which represents 134.5 weeks of expenditure (2007/08, 6.58 weeks). The Liquid Reserves figure is the General Funds figure of £44,448 which represents 6.4 weeks of expenditure (2007/08, 6.58 weeks).

Funds are kept in an interest deposit account with a current account being used for day to day expenditure.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the Company receives notice under section 488 (1) of the Companies Act 2006.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of The PRIME Initiative for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees' are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee P.Norton (Chair)

Date 14 July 2009

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE PRIME INITIATIVE

We have audited the financial statements of The PRIME Initiative for the year ended 31 March 2009 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of The PRIME Initiative for the purposes of company law) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed. We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

London 14 July 2009

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME & EXPENDITURE ACCOUNT)**

YEAR ENDED 31st March 2009

Note	Unrestricted Funds 2009 £	Restricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Incoming resources				
Incoming resources from generating funds:				
Voluntary income				
Grant funded activities	1,125,000	597,713	1,722,713	287,365
Investment income	3,479	-	3,479	683
Other income	12,222	-	12,222	1,153
Incoming resources from charitable activities:				
Contracts to provide services promoting Self employment to over 50s through Seminars, workshops, helplines etc	44,000	269,034	313,034	469,385
Total incoming resources	<u>1,184,701</u>	<u>866,747</u>	<u>2,051,448</u>	<u>758,586</u>
Resources expended				
Cost of generating funds				
Costs of generating voluntary	4,230	-	4,230	24,378
Charitable activities				
Contracts to provide services promoting Self employment to over 50s through Seminars, workshops, helplines etc	296,303	342,673	638,976	680,788
Provision of starter business loans to over 50s	-	-	-	(48,616)
Governance costs	62,343	-	62,343	69,271
Total resources expended	<u>362,876</u>	<u>342,673</u>	<u>705,549</u>	<u>725,821</u>
Net incoming/outgoing resources before transfers	821,826	524,074	1,345,900	32,765
Gross transfers between funds	30,281	(30,281)	-	-
Net movement on funds	852,107	493,793	1,345,900	32,765
Funds brought forward	85,625	98,306	183,931	151,166
Funds carried forward	<u>937,732</u>	<u>592,099</u>	<u>1,529,831</u>	<u>183,931</u>

THE PRIME INITIATIVE charity registration number: 261794-2
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

**BALANCE SHEET
AT 31 MARCH 2009**

	Note	2009	2008
CURRENT ASSETS			
Debtors	4	52,794	190,307
Investments	5	1,403,479	-
Cash at bank and in hand		<u>107,829</u>	<u>64,872</u>
		1,564,103	255,179
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	6	(34,272)	(71,248)
NET CURRENT ASSETS		<u>1,529,831</u>	<u>183,931</u>
FUNDS			
Restricted funds	13	592,099	98,306
Unrestricted funds	13	937,732	85,625
TOTAL FUNDS		<u>1,529,831</u>	<u>183,931</u>

Approved by the board of Directors on 14th July 2009 and signed on their behalf by:-

Pauline Norton
Trustee

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the Statement of Recommended Practice 2005 "Accounting and Reporting by Charities" and applicable United Kingdom accounting standards. The particular accounting policies adopted by the Trustees are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Resources expended

All expenditure is accounted for on an accruals basis and allocated over the activities for the year.

Support costs

Support costs represent the staffing and associated costs of Finance, HR and general administration in supporting the charitable activities of the company. They are allocated over relevant cost centres; are directly allocated where possible or apportioned on the basis of headcount or time allocated.

Income Recognition

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations in Kind

PRIME occupies office space and receives support services from its parent company Age Concern (England), up to a value of £30,000

Costs of Generating Funds

This represents the costs of incurred by the charitable company when applying for grant income. It does not include the costs of tendering for contracts.

Costs of Governance

These represent the direct costs of governance including facilities for meetings, external audit, legal and professional advice for trustees and costs associated with constitutional and statutory requirements.

Fund Accounting

The charity maintains various types of funds as follows:

Restricted Funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

Unrestricted Funds

Unrestricted funds represent funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Designated Funds

Designated funds are unrestricted funds earmarked by the senior management team and trustees for particular purposes.

Costs of Contracts

Costs associated with each contract are accounted for individually.

Pensions

The charity does not operate a pension scheme for its employees however employees are eligible to join the scheme operated by Age Concern (England). PRIME cannot separately identify its share of the scheme's assets and liabilities so this has been accounted for under a defined contribution method

Contracts

This represents income received from contracts entered into with various bodies for the provision of services.

Investments

The gain or loss for each period is taken to the statement of financial activities.

THE PRIME INITIATIVE charity registration number: 261794-2
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

2. Total Resources Expended

	2009 Total £	Costs of generating funds £	Support costs £	Charitable contracts £	Restricted contracts £	Governance £	2008 Total £
All Staff Costs	477,266	3,655	111,662	174,635	151,717	35,597	476,796
Rent	32,100	575	-	25,287	2,100	4,138	36,775
Travel & Expenses	50,836	-	3,365	16,153	27,479	3,840	59,979
Advertising & Marketing	33,368	-	366	9,736	23,266	-	20,967
Conference	4,244	-	649	1,142	1,005	1,448	2,555
Professional Fees	33,993	-	13,839	4,260	4,050	11,844	19,591
Office Costs	72,032	-	13,005	24,007	34,994	25	83,516
Loan Fund	-	-	-	-	-	-	(51,809)
Other	1,710	-	1,480	-	230	-	77,451
Reallocation	-	-	(144,365)	41,083	97,832	5,450	-
	705,549	4,230	-	296,303	342,673	62,342	725,821

Support costs are directly allocated where possible or apportioned on the basis of headcount or time allocated.

**NOTES TO THE FINANCIAL YEAR
YEAR ENDED 31ST MARCH 2009**

3 Donations and Grants

Unrestricted	2009	2008
	£	£
Grant received from Age Concern	95,000	140,000
Grant received in kind from Age Concern	30,000	30,000
Bank of America Charitable Foundation *	1,000,000	-
Restricted		
Esmee Fairbairn	-	16,950
Microsoft	97,713	100,415
Bank of America Charitable Foundation *	500,000	-
	<u>1,722,713</u>	<u>287,365</u>

3a Incoming resources from charitable activities:
Contracts to provide services promoting self employment to over 50's through seminars, workshops, helplines etc

Unrestricted	2009	2008
	£	£
Pensions Education Fund (PEF)	44,000	118,607
Restricted		
Invest Northern Ireland	100,866	152,445
NWDA – North West Development Agency	87,000	30,000
Success Doncaster	65,250	-
SENTA – Senta Enterprise Agency	15,918	9,061
Yorkshire and Humber	-	89,990 **
Southwest RDA	-	10,785 **
Cheshire County Council	-	28,000 **
Exemplas	-	28,492 **
West Midlands BS Ltd	-	2,005 **
	<u>313,034</u>	<u>469,385</u>

Bank of America Charitable Foundation *

The Bank of America grant has been defined, as per the grant agreement; as unrestricted income of £1million over two years (funds received December 2008) to support core costs. PRIME's aim is to capacity build itself to become the national agency for senior enterprise, with this substantial financial support this will ensure PRIME meets this objective and restricted income of £500k for a new Loan Fund.

**

Following an internal review of PRIME's prior year contracts, a reallocation of contract income for has been completed with a reallocation from general to restricted income.

4. Debtors	2009	2008
	£	£
Trade debtors	50,549	189,209
Prepayments and other debtors	2,246	1,098
	<u>52,794</u>	<u>190,307</u>

THE PRIME INITIATIVE charity registration number: 261794-2
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

5. Investments	2009 £ Cash Deposit	2008 £ Cash Deposit
Market value at start of year	-	-
Additions	1,403,479	-
Disposals	-	-
Net gain/(loss) on revaluation	<u>1,403,479</u>	<u>-</u>

All investments are cash deposits managed by CCLA Investment Management Ltd.
 Material elements of the investment are as follows:-

	2009 £	2008 £
COIF Charities Deposit Fund	1,403,479	-
	<u>1,403,479</u>	<u>-</u>

6. Creditors: Amounts falling due within one year	2009 £	2008 £
Other creditor	19,710	4,962
Accruals and deferred income	13,207	18,702
Due to linked charity	1,356	47,584
	<u>34,272</u>	<u>71,248</u>

7. Share Capital

The company is limited by guarantee without share capital. The liability of each member is £1.

8. Parent undertaking and controlling party

The company is a wholly owned subsidiary of Age Concern England. The company has taken advantage of the exemption with FRS8 from disclosing transactions with its parent company.

9. Staff Costs and Numbers

Staff costs were made up as follows:

	2009 £	2008 £
Wages and salaries	373,518	374,332
Social security costs	33,716	37,790
Pension costs	23,270	27,360
Agency costs	25,722	33,879
	<u>456,226</u>	<u>473,361</u>

The average number of employees during the year, calculated on the basis of full time equivalents was as follows:

	2009 £	2008 £
Chief Executive	1	1
Marketing	1	1
Support	3	3
Regional	7	6
	<u>12</u>	<u>11</u>

During the year one employee received emoluments totalling £73,083 (2008 one employee, £71,311)

THE PRIME INITIATIVE charity registration number: 261794-2
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

10. Trustee Remuneration and Related Party Transactions

No trustee received any remuneration during the year. Four trustees received reimbursed expenses for travel and subsistence costs totalling £2,978 (2007 - £2,396).

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2008 – nil).

PRIME occupies office space and receives support services from its parent company Age Concern England up to a value of £30,000.

11. Taxation

As a charity, PRIME is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

12. Auditors Remuneration

	2009	2008
Audit Fee	£11,845	£13,653
Other non audit work (Cheshire grant)	£3,214	-

THE PRIME INITIATIVE charity registration number: 261794-2
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

13. Analysis of Movement of Funds

	B/fwd £	Incoming Resources £	Outgoing Resources £	Gross transfer between funds £	C/fwd £
Restricted Funds					
Microsoft*	68,025	97,713	(94,576)	-	71,162
Esmee Fairbairn **	30,281	-	-	(30,281)	-
Bank of America CF***	-	500,000	-	-	500,000
Invest Northern Ireland	-	100,865	(100,865)	-	-
SENTA	-	15,918	(15,918)	-	-
NWDA	-	87,000	(87,000)	-	-
Success Doncaster ****	-	65,250	(44,313)	-	20,937
	98,306	866,747	(342,673)	(30,281)	592,099
Unrestricted Funds					
Designated Fund *****	-	1,000,000	(106,717)	-	893,283
General Fund	85,625	184,701	(256,159)	30,281	44,448
Totals Funds	183,931	2,051,448	(705,549)	-	1,529,831

Microsoft *

Microsoft Unlimited Potential (*Community Technology Skills Program*) To make IT skills accessible to disadvantaged and socially excluded people in the Black Country – PRIME's role to help these people 50+ to start their own businesses; to include workshops, train mentors and liaise with enterprise agencies

Esmee Fairbairn **

Restricted funds fully expended in financial year ended 31st March 2008 and being expended from unrestricted funds.

Bank of America Charitable Foundation ***

Funds of £500,000 granted to PRIME for a Loan Scheme, which was piloted early March 2009 with no successful applicants and will be officially launched in June 2009.

Success Doncaster ****

Joint contract with The Prince's Trust - PRIME's role to assist people 50+ in business start ups, with business support/counselling/mentoring to include workshops and 1:2:1's

Bank of America Charitable Foundation *****

Funds of £1million over two years (received December 2008) to support core costs. PRIME's aim is to capacity build itself to become the national agency for senior enterprise. The senior management team and trustees have therefore designated these funds to meet this objective.

**NOTES TO THE FINANCIAL YEAR
ENDED 31 MARCH 2009**

14. Analysis of assets and liabilities between funds

	Restricted Funds £	Unrestricted funds £	Total funds £
Debtors	-	52,794	52,794
Cash and investments	592,099	919,209	1,511,308
Creditors < 1 year	-	(34,272)	(34,272)
Net current assets	<u>592,099</u>	<u>937,732</u>	<u>1,529,831</u>
Funds			
Surplus income over expenditure	592,099	937,732	1,529,831
Total funds	<u>592,099</u>	<u>937,732</u>	<u>1,529,831</u>



The Prince's Charities

PRIME is honoured to be a member of The Prince's Charities, a group of 20 not-for-profit organisations of which The Prince of Wales is President.

The organisations are active across a broad range of areas including opportunity and enterprise, education, health, the built environment, responsible business, the natural environment and the arts.

The charities reflect The Prince of Wales's long-term and innovative perspective and seek to address areas of previously unmet need.

Opportunity and Enterprise

PRIME	www.primeinitiative.org.uk
PRIME-Cymru	www.prime-cymru.co.uk
The Prince's Trust	www.princes-trust.org.uk
The British Asian Trust	www.britishasiantrust.com
The Prince's Scottish Youth Business Trust	www.psybt.org.uk
The Prince's Youth Business International	www.youth-business.org

Education

The Prince's Drawing School	www.princesdrawingschool.org
The Prince's Foundation for Children and the Arts	www.artsandkids.org.uk
The Prince's School of Traditional Arts	www.princesschooltraditionalarts.org
The Prince's Teaching Institute	www.princes-ti.org.uk

Health

The Prince's Foundation for Integrated Health	www.fih.org.uk
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The Built Environment

The Prince's Foundation for the Built Environment	www.princes-foundation.org
The Prince's Regeneration Trust	www.princes-regeneration.org
The Great Steward of Scotland's Dumfries House Trust	www.dumfries-house.org.uk
Turquoise Mountain	www.turquoisemountain.org

Responsible Business and the Natural Environment

Arts & Business	www.AandB.org.uk
Business in the Community	www.bitc.org.uk
In Kind Direct	www.inkinddirect.org
Scottish Business in the Community	www.sbcscot.com
The Cambridge Programme for Sustainability Leadership	www.princescharities.org/cambridge-programme-for-sustainability-leadership