

**THE PRIME INITIATIVE**  
**(Trading as PRIME)**

**Registered Charity No. 261794-2**  
**Company No. 4184314**  
**(A company limited by guarantee and having no share capital)**

**Report and Financial Statements for the Year Ended**  
**31<sup>st</sup> March 2008**

Reference and Administrative Details

<b>Founder and President:</b>	<b>HRH The Prince of Wales</b>
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 Stephanie Harland (resigned 30 <sup>th</sup> October 2007) Professor Mark Hart (appointed 5 <sup>th</sup> November 2007) Philip Longworth (appointed 5 <sup>th</sup> November 2007) Ian Nowell (appointed 26 <sup>th</sup> September 2007)
Company Secretary:	Mark Lywood
Chief Executive:	Laurie South
Bankers:	Lloyds Bank TSB 40 Rosslyn Hill Hampstead London NW3 1NL
Solicitors:	Age Concern England - Legal Department
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	<a href="http://www.primebusinessclub.com">www.primebusinessclub.com</a> <a href="http://www.primeinitiative.org.uk">www.primeinitiative.org.uk</a>

## **TRUSTEES' REPORT**

The Trustees of The PRIME Initiative present their annual report together with the audited financial statements for the year ended 31st March 2008.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

PRIME is a registered charity, linked with the National Council on Ageing (trading as Age Concern England or ACE). PRIME is also a company limited by guarantee. It is governed by its own Memorandum and Articles of Association and makes its own returns to Companies House and the Charity Commission. ACE is the sole member of the charity and is therefore responsible for the nomination of the trustees of PRIME at the charity's Annual General Meeting, but actively seeks a number of "independent" trustees. It exercises this role in discussion with the Charities Office at Clarence House.

The Board extended its membership in 2006-07 and, in 2007-08 benefiting from the skills brought by the new "independent" trustees. 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 day to day running of the organisation is delegated to the Chief Executive by the Board of trustees under a scheme of delegation. 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.

PRIME compared this report with the Charity Commission's draft guidance on public benefit and is confident that PRIME's objectives and performance meet the draft public benefit requirements. PRIME is also cognisant of its environmental impact and reviewed its travel policy during the year to ensure it met health and safety requirements and led to a minimising of the environmental impact.

## **OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

PRIME's objective is to promote self employment as an option for the over 50s. 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.*

The way it approaches this objective and mission falls under four categories or areas of work.

- (i) The PRIME campaign – to create awareness and lobby for improved opportunities for the 50+
- (ii) The PRIME delivery partnership – to provide pre-enterprise help, advise and support to those aged 50+ in danger of becoming impoverished – particularly those who are unemployed or workless – and to foster a strong relationship with intermediaries, Business Links enterprise agencies and other organisations in the sector to deliver ongoing free or affordable business advice support
- (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 that ensures PRIME makes a significant impact in fulfilling its mission

### (i) The PRIME Campaign

During the year 2007-08 PRIME has continued to promote the importance of self-employment through lobbying, the media, presentations and conferences. From October 2002 PRIME has been steadily raising the profile of those aged 50+ who are in financial need. During 2007-08 PRIME was regularly featured in the local, national and specialist media, radio programmes and the television as the acknowledged expert on 50+ self-employment and enterprise.

During 2007-08 PRIME has been promoting its client website [www.primebusinessclub.com](http://www.primebusinessclub.com) and now has around 200 visitors a day. Clients are able to register online for a start-up pack, and online enquiries now exceed telephone enquiries.

PRIME has spoken at a number of regional, national and international conferences and helped promote new thinking amongst decision-makers. PRIME has also been active in responding to relevant government papers such as the Green Paper on Welfare Reform, and has discussed in detail ideas to assist the over 50s in enterprise with ministers and civil servants.

The PRIME commissioned report by Christopher Smallwood, "Improving employment prospects for the over 50s" January 2008 (available on [www.primebusinessclub.com](http://www.primebusinessclub.com)) was widely disseminated and discussed with the Prime Minister's staff. It argued that there were at least 800,000 people aged 50 to state pension age who were willing and able to work. PRIME was also active in promoting 50+ enterprise in the Enterprise Framework consultations, and the White Paper "Enterprise: unlocking the UK's talent", March 2008, specifically cites PRIME, asking it to talk with the Government and Enterprise Insight about a campaign to promote self-employment and enterprise amongst the over 50s.

(ii) The PRIME Partnership

During 2007-08 enterprise support was re-organised across the country, resulting in planning blight followed by a reduction in the number of enterprise agencies, a scarcity of free business support for start-ups, and a reduction in the scale of New Deal enterprise support.

This has challenged the PRIME business model, and created a demand for an extension of free PRIME pre-enterprise courses and mentoring at a time of limited funds for these activities. Nevertheless PRIME has been able to:

Increase its pre-enterprise activity where it had regional funding to extend the range and scope of its pre-enterprise support pack of guides and workbooks.

During the year PRIME's direct activity in the regions and nations of the UK has included work in:

**Northern Ireland:** with a launch at Stormont and the active support of Age Concern Northern Ireland, 50+ pre-enterprise support is firmly on the agenda:

**the Black Country:** funded by Microsoft, PRIME is piloting work on IT in olderpreneurship:

**the North West:** with funding from the Northwest Regional Development Agency (NWDA), PRIME is working on 50+ enterprise strategy:

**Sheffield and Doncaster:** two Local Enterprise Growth Initiatives (LEGI) are virtually the only programmes of this kind catering for the over 50s:

**the South Wes:** came to an end in October 2007 and in the last year of its work PRIME engaged with 700 people:

**Yorkshire and the Humber:** PRIME engaged with 873 people over 17 months:

**Rural Cheshire:** PRIME's part-time business adviser helped to support over 45 new businesses:

**West Midlands:** a small 50+ engagement project funded by Business Link West Midlands:

**South Yorkshire:** a pilot pre-enterprise mentoring project funded by Business Link South Yorkshire:

**East of England:** delivering EU funded Equal ESF franchising/enterprise awareness workshops.

In addition PRIME delivered a range of contracts and projects in other parts of the country running pre-enterprise events including:

- enterprise exhibitions at which PRIME gave advice and help to the over 50s
- the One Life Show at Olympia where PRIME staff talked to 300 people over the three days and gave in depth advice to some 50 people
- the Pensions Education Fund project, funded by the Department for Work and Pensions through which PRIME disseminated nearly 140,000 leaflets on pensions and self-employment for the 50+, published articles in trade association newsletters, spoke at numerous events around the UK. PRIME sub-contracted PRIME Cymru to extend the project into Wales

The last outstanding loan under the PRIME Loan Fund was repaid. Talks continued with a view to re-introducing a radically different loan fund, although we were not able to complete negotiations in 2007-08 despite our best endeavours. However, PRIME will now introduce a new Loan Fund in 2009.

(iii) The PRIME Understanding

PRIME has:

- **continued** to work with Kingston University to analyse a sample of its enquirers. This is the second year that this exercise has taken place. Later in the year the 2006 sample will be re-contacted to determine progress on the enterprise path;
- **worked** with the Cass Business School and Newcastle University on research which looks in depth at individual people over 50 embarking on the enterprise journey;
- **joined** an EU project in Northern Ireland looking at social enterprise and older people;
- **undertaken** a survey in the South West Region replicating the previous research "Olderpreneur Outcomes" and confirming that the PRIME target group takes between 12 and 18 months to actually start a business.

In talking to those who contact PRIME, it has been possible to ascertain, using an e-mail address as a proxy for computer skills, that about one-third of enquirers do not have any ICT skills.

It was identified that many people in contact with PRIME wanted assistance with marketing. In response PRIME has developed a straight-forward jargon free guide to marketing and selling to help pre-enterprise clients orientate themselves and understand the marketing journey that they are embarking upon.

## IMPACT

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% 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

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strong impact of PRIME's work is demonstrable. Although there are regional differences, PRIME can assert that of those seeking PRIME's assistance:

- 43% go on to start a business within 18-20 months
- 30% are still considering it but have been diverted from their plans
- 27% decide that self-employment is not for them

Interestingly this age group is always spoken of as “risk-averse” but very few people mentioned fear of losing money as a reason to delay or not continue with the self-employment journey. The most usual reason was to do with finding a viable business idea, receiving sufficient help, or finding money to finance the business.

In 2007-08 PRIME talked to and gave direct assistance to approximately 2,800 people from its central HQ, or by its regional staff.

This data does not take into account those who have been helped indirectly through the website or through talking to PRIME staff at exhibitions but not leaving a contact.

The impact of PRIME over the last 5 years can be adjudged from the following table of enquiries direct to PRIME’s central help-line and website.

<b>Monthly Central Data-base Comparator (starting Apr 03)</b>													
<b>Year</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>TOTAL</b>
<b>03 - '04</b>	33	19	51	45	25	24	44	29	17	47	153	56	543
<b>04 - '05</b>	41	89	47	57	75	70	117	112	131	135	225	121	1220
<b>05 - '06</b>	120	112	135	71	81	79	79	195	54	154	128	174	1382
<b>06 - '07</b>	161	150	130	155	88	119	113	171	68	135	160	255	1705
<b>07 - '08</b>	180	211	153	118	156	334	166	309	118	259	382	450	2836

Although PRIME generally works in partnership with Business Link and enterprise agencies referring people on when they are enterprise ready, in rural Cheshire where PRIME had funding for a Small Firms Enterprise Development Initiative (SFEDI) accredited part-time advisor who worked with clients throughout their journey to enterprise, PRIME helped to start 45 businesses. Although the project ended in March 2008, it is anticipated that this number will continue to grow as there were a further 200 people in the pipe-line on the journey towards enterprise and self-employment.

### **PROGRESS ON 2006 – 7 PLANS**

In our 2006-7 Trustees’ Report, we highlighted 5 key areas on which we would be focused in the context of our Business Plan. Reporting on these in particular, PRIME made the following progress during the year:

#### **To move towards the acquisition of Customer First accreditation**

PRIME established a task and finish group which worked on ensuring PRIME met the standard. Members of the group attended Customer First courses and examined

PRIME's systems identifying areas where work was subsequently undertaken to make PRIME assessment ready. As a result of this work, PRIME is now investigating building on the work it has done under Customer First to seek an accreditation which is more widely recognised and will better assist PRIME to gain new contracts.

### **Completing implementation of the CRM system**

Having begun work with software donated under a corporate social responsibility scheme, changes in the business support environment meant that the configuration was no longer appropriate, but changing a system designed for a sales environment proved too expensive a proposition. PRIME therefore decided to migrate to a system that offered more flexibility before it was trapped in an inappropriate system. The new system must enable PRIME to:

- (i) be more adaptable in a business support environment which is continually changing
- (ii) be more flexible in meeting the special requirements of individual contracts since these are becoming more diverse as regional devolution and sub-regional frameworks are adopted

### **To increase the spread of PRIME staff**

PRIME has spread to Northern Ireland, the Black Country and the North West. It also won contracts under the Sheffield and the Doncaster Local Enterprise Growth Initiative. Regrettably the contract in the South West was not renewed.

### **To review the PRIME partnership**

PRIME reviewed its partnership policy in the light of:

- an almost universal end to free start-up support
- the reduction in the number of agencies
- payment of enterprise agencies on the basis of pre-contracted referrals from Business Link
- the new Business Link contracts: and
- the initiation of regional contracts to organisations which then sub-contract parts of the contact to providers like PRIME.

### **PRIME has:**

- (i) developed a stronger pre-enterprise offer with a range of pre-enterprise literature, a pre-enterprise mentor programme, and a wider range of workshops:
- (ii) created partnerships with those organisations in-line to become regional contractors
- (iii) cultivated partnerships with organisations that can add value to PRIME's work (e.g. Enterprise Nation – the web-site for people working from their homes).

This has been a significant change of business model away from the concept of sign-posting clients straight to a partner enterprise agency.

### **To develop and enhance the relationship with key stakeholders including ACE**

PRIME reached a formal agreement with ACE on the relationship with a three year signed agreement. PRIME is also working more closely with ACE on those areas where its corporate priorities overlap with PRIME's work. ACE's new regional structures have assisted PRIME to develop strong cooperative and collaborative relationships at regional level.

The relationship with the Charities Office of HRH The Prince of Wales has been developed to create a closer working partnership.

During 2007-08 PRIME has built a stronger relationship with the Department for Business, Enterprise, and Regulatory Review (BERR) and the Department for Work and Pensions (DWP).

### **PLANS FOR 2008-09**

- (i) To join the Education Insight and South East England Development Agency (SEEDA) and mount a campaign promoting 50+ enterprise for the over 50s
- (ii) To increase the geographic spread of PRIME within the UK – covering two more regions and to mount a campaign to take PRIME into Scotland.
- (iii) To follow-up the Smallwood Report with a conference leading to a national task group.
- (iv) To complete a business review for the period 2009-2013 in the light of the changing market place.
- (v) To recruit a commercial strategic partner.
- (vi) Following a £1.5million grant funding from Bank of America we intend to capacity build ourselves to become the national agency for senior enterprise in the UK and will introduce a new loan system.

### **FINANCIAL REVIEW**

2007-08 was once again a difficult trading environment for PRIME due to the continuing re-organisation of business support across the country. There are encouraging signs and opportunities for later in 2008–09 beginning to emerge. PRIME succeeded in breaking even in 2007-08 whilst continuing to develop its presence, products and performance. This will stand PRIME in good stead in the coming years.

The Statement of Financial Activities for the year shows a surplus of £32,765 (2006/07 deficit £74,387). 2007-08 saw an increase in our charitable activities; where we provide services promoting self employment to over 50s through an array of seminars, workshops and helplines. This is PRIME's main unrestricted income stream, which increased from £393,876 to £469,385, an increase of 19.17%. Unrestricted expenditure against this income stream, which also includes the central support function and our effective campaigning and research costs, increased from £551,385 to £631,448, with a deficit for this income stream of £162,063 (2006/07 - £157,509). This deficit was understood and planned by the Board to promote

PRIME's mission statement and supported by increased funding from Age Concern England.

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. 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 publication 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 £85,625 which represents 6.58 weeks of expenditure (2006/07, 9.85 weeks ). The Liquid Reserves figure is the General Funds figure of £85,625 which represents 6.58 weeks of expenditure (2006/07, 3.85 weeks).

PRIME continues to receive funding from a number of sources as detailed in the earlier section of this report. Age Concern England continues to contribute core funding for which PRIME is very grateful.

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

### **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:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgments and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (iv) 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.

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 : Pauline Norton

Approved on the 16th December 2008 and signed on the 5th January 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 2008 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' 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, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' 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' 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.

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008**

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.

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**

- 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 2008 and of its 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' Report is consistent with the financial statements.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

London 6 January 2009

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

**YEAR ENDED 31st MARCH 2008**

Note	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
<b>Incoming resources</b>				
<b>Incoming resources from generating funds:</b>				
Voluntary income				
Donations and Grants	3	170,000	117,365	287,365
Investment income		683	-	683
Other income		1,153	-	1,153
				5,994
<b>Incoming resources from charitable activities:</b>				
Contracts to provide services promoting Self employment to over 50s through Seminars, workshops, helplines etc		469,385	-	469,385
Contract with Pensions Education Fund		-	-	-
				100,386
<b>Total incoming resources</b>		<b>641,221</b>	<b>117,365</b>	<b>758,586</b>
<b>Resources expended</b>				
<b>Cost of generating funds</b>				
Costs of generating voluntary		24,378	-	24,378
				6,874
<b>Charitable activities</b>				
Contracts to provide services promoting Self employment to over 50s through Seminars, workshops, helplines etc		631,448	-	631,448
Provision of starter business loans to over 50s		(48,616)	-	(48,616)
				9,593
Microsoft contract		-	-	-
Esmee Fairbairn		-	32,390	32,390
			16,950	16,950
<b>Governance costs</b>		69,271	-	69,271
				16,088
<b>Total resources expended</b>		<b>676,481</b>	<b>49,340</b>	<b>725,821</b>
Net incoming/outgoing resources before transfers		(35,260)	68,025	32,765
Gross transfers between funds		10,318	(10,318)	-
Net movement on funds		(24,942)	57,707	32,765
Funds brought forward		110,567	40,599	151,166
<b>Funds carried forward</b>		<b>85,625</b>	<b>98,306</b>	<b>183,931</b>
				<b>151,166</b>

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**BALANCE SHEET  
AT 31 MARCH 2008**

	Note	2008	2007
<b>CURRENT ASSETS</b>			
Debtors	4	190,307	108,105
Cash at bank and in hand		<u>64,872</u>	<u>204,448</u>
		<b>255,179</b>	<b>312,553</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	5	(71,248)	(161,387)
<b>NET CURRENT ASSETS</b>		<b><u>1,529,831</u></b>	<b><u>183,931</u></b>
<b>FUNDS</b>			
Restricted funds	12	98,306	40,599
Unrestricted funds	12	85,625	110,567
<b>TOTAL FUNDS</b>		<b><u>183,931</u></b>	<b><u>151,166</u></b>

Approved by the board of Directors on 16<sup>th</sup> December 2008 and signed on 5<sup>th</sup> January 2009 on their behalf by:-

Pauline Norton  
Trustee

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

**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 and general administration in supporting the charitable activities of the company. They are allocated over relevant cost centres.

**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 etc.

**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.

**Costs of Loan Funds**

Costs associated with the loan fund are accounted for using an internal Loan Administration account.

**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.

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**2. Total Resources Expended**

	<b>2008 Total £</b>	<b>Costs of generating funds £</b>	<b>Charitable contracts £</b>	<b>Activities loan fund £</b>	<b>Support costs £</b>	<b>Governance £</b>	<b>2007 Total £</b>
All Staff Costs	476,796	23,521	278,692	-	140,725	33,858	458,466
Rent	59,979	538	51,122	-	5,575	2,744	36,756
Travel & Expenses	36,775	-	9,775	1,500	25,500	-	72,734
Advertising & Marketing	20,967	-	18,956	-	2,011	-	21,165
Conference	2,555	-	-	-	-	2,555	-
Professional Fees	19,591	-	-	832	2,089	16,670	27,644
Office Costs	83,516	-	40,673	-	42,843	-	30,137
Loan Fund	(51,809)	-	-	(51,809)	-	-	1,641
Other	77,451	319	66,050	861	8,120	2,120	57,684
Reallocation	-	-	215,520	-	(226,863)	11,343	-
	<b>725,821</b>	<b>24,378</b>	<b>680,788</b>	<b>(48,616)</b>	<b>-</b>	<b>69,271</b>	<b>706,227</b>

**NOTES TO THE FINANCIAL YEAR  
YEAR ENDED 31<sup>ST</sup> MARCH 2008**

**3 Donations and Grants**

<b>Unrestricted</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Grant received from parent company	140,000	67,500
Grant received in kind from Age Concern	30,000	30,000
<b>Restricted</b>		
Esmee Fairbairn	-	16,950
Microsoft	97,713	100,415
Repayment of unspent grant	-	(4,353)
	<b><u>287,365</u></b>	<b><u>122,570</u></b>

<b>4. Debtors</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	189,209	92,130
Prepayments and other debtors	1,098	-
Due from loan fund debtors	-	15,975
	<b><u>190,307</u></b>	<b><u>108,105</u></b>

<b>5. Creditors: Amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other creditor	4,962	51,159
Loan	-	8,607
Accruals and deferred income	18,702	35,676
Due to linked charity	47,584	-
Provision for Final Costs on Loan Fund	-	65,945
	<b><u>71,248</u></b>	<b><u>161,387</u></b>

## 6. Share Capital

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

## 7. 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.

## 8. Staff Costs and Numbers

Staff costs were made up as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	374,332	307,444
Social security costs	37,790	32,662
Pension costs	27,360	20,781
Agency costs	<u>33,879</u>	<u>69,159</u>
	<b><u>473,361</u></b>	<b><u>473,361</u></b>

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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Chief Executive	1	1
Marketing	1	1
Support	3	3
Regional	<u>6</u>	<u>5</u>
	<b><u>11</u></b>	<b><u>10</u></b>

During the year one employee received emoluments totalling £71,311 (2007 one employee, £60,986).

## 9. Trustee Remuneration and Related Party Transactions

No trustee received any remuneration during the year. Four trustees received reimbursed expenses for travel costs amounting to £232, £307, £1,833 and £24 (2007 - £365) respectively.

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 (2007 – nil).

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

## 10. 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.

## 11. Auditors Remuneration

	<b>2008</b>	<b>2007</b>
Audit Fee	£13,653	£9,400

**12. Analysis of Movement of Funds**

	B/fwd £	Incoming Resources £	Outgoing Resources £	Gross transfer between funds £	C/fwd £
<b>Restricted Funds</b>					
Microsoft	-	100,415	(32,390)	-	68,025
PEF Contract*	10,318	-	-	(10,318)	-
Esmee Fairbairn **	30,281	16,950	(16,950)	-	30,281
	<b>40,599</b>	<b>117,365</b>	<b>(49,340)</b>	<b>(10,318)</b>	<b>98,306</b>
<b>Unrestricted Funds</b>					
Designated Fund ***	67,277	-	-	(67,277)	-
General Fund	43,290	641,221	(676,481)	77,595	85,625
<b>Totals Funds</b>	<b>151,166</b>	<b>758,586</b>	<b>(725,821)</b>	<b>-</b>	<b>183,931</b>

**PEF Contract \***

Reclassification of the Pensions Education Fund values from restricted funds to general funds.

**Esmee Fairbairn \*\***

Funds have been provided to employ a regional manager in the North West for workshops, events, a volunteering programme and to assist the 50+ in their route into self employment.

**Designated Fund \*\*\***

These funds were previously held in relation to clear any costs associated with the "old" loan fund and set up a new loan fund. The funds have been fully utilised to clear all costs relating to the "old" fund and therefore this designated fund is now closed.

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

**13. Analysis of assets and liabilities between funds**

	<b>Restricted Funds £</b>	<b>Unrestricted funds £</b>	<b>Total funds £</b>
Debtors	-	190,307	190,307
Cash and investments	98,306	(33,434)	64,872
Creditors < 1 year	-	(71,248)	(71,248)
<b>Net current assets</b>	<b><u>98,306</u></b>	<b><u>85,625</u></b>	<b><u>183,931</u></b>
<b>Funds</b>			
Surplus income over expenditure	98,306	85,625	183,931
<b>Total funds</b>	<b><u>98,306</u></b>	<b><u>85,625</u></b>	<b><u>183,931</u></b>

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

**14. Post Balance Sheet Events**

Following a £1.5million grant funding from Bank of America for years 08/09 & 09/10 - PRIME's aim is to capacity build itself to become the national agency for senior enterprise. To this aim the grant has been defined as £1million over these two years to support core costs, thus ensuring it meets this objective and £500k for a new Loan Fund.



## **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	<a href="http://www.primeinitiative.org.uk">www.primeinitiative.org.uk</a>
PRIME-Cymru	<a href="http://www.prime-cymru.co.uk">www.prime-cymru.co.uk</a>
The Prince's Trust	<a href="http://www.princes-trust.org.uk">www.princes-trust.org.uk</a>
The Prince's Scottish Youth Business Trust	<a href="http://www.psybt.org.uk">www.psybt.org.uk</a>
The Prince's Youth Business International	<a href="http://www.youth-business.org">www.youth-business.org</a>

### **Education**

The Prince's Drawing School	<a href="http://www.princesdrawingschool.org">www.princesdrawingschool.org</a>
The Prince's Foundation for Children and the Arts	<a href="http://www.artsandkids.org.uk">www.artsandkids.org.uk</a>
The Prince's School of Traditional Arts	<a href="http://www.princeschooltraditionalarts.org">www.princeschooltraditionalarts.org</a>
The Prince's Teaching Institute	<a href="http://www.princes-ti.org.uk">www.princes-ti.org.uk</a>

### **Health**

The Prince's Foundation for Integrated Health	<a href="http://www.fih.org.uk">www.fih.org.uk</a>
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### **The Built Environment**

The Prince's Foundation for the Built Environment	<a href="http://www.princes-foundation.org">www.princes-foundation.org</a>
The Prince's Regeneration Trust	<a href="http://www.princes-regeneration.org">www.princes-regeneration.org</a>
The Great Steward of Scotland's Dumfries House Trust	<a href="http://www.dumfries-house.org.uk">www.dumfries-house.org.uk</a>
Turquoise Mountain	<a href="http://www.turquoisemountain.org">www.turquoisemountain.org</a>

### **Responsible Business and the Natural Environment**

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