

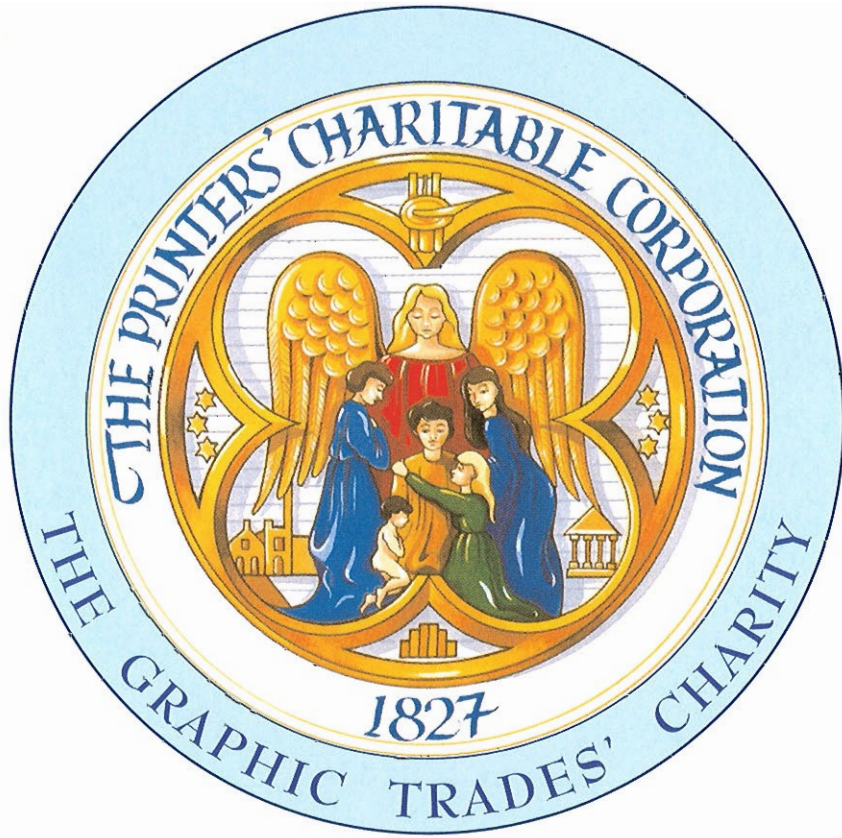
Printers' Charitable Corporation

Patron

Her Majesty The Queen

President 2006

Jonathan Harmsworth
The Viscount Rothermere



CONSOLIDATED ANNUAL REPORT AND ACCOUNTS
2006

One Hundred and Eightieth Report

with Balance Sheet at 31 December 2006
Statement of Financial Activities
for the year ended 31 December 2006

Royal Charter no. RC000417
Registered Charity no. 208882

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PRESIDENT

Jonathan Harmsworth
The Viscount Rothermere

PRESIDENTS EMERITUS

Sir Frank Barlow CBE
Norman Garrod CBE
Ivan Heath

VICE-PRESIDENTS

His Royal Highness The Prince of Wales, KG KT GCB AK QSO
His Royal Highness Prince Philip Duke of Edinburgh, KG KT
His Royal Highness The Duke of Kent, KG GCMG GCVO ADC
Her Royal Highness The Duchess of Kent, GCVO
Her Royal Highness Princess Alexandra, KG GCVO

Sir Gordon Brunton, KT
R Murdoch
The Earl of Stockton
The Rt. Hon. The Lord Howe of Aberavon, PC QC
V Watson, CBE DL
Sir Harry Roche
Sir Frank Barlow, CBE
N J Garrod, CBE

J J S Marshall
The Rt. Hon. Lord Wakeham, PC JP DL
I E Heath
I Park
R Lambert
Sir Jeremy Elwes, CBE ACIS FRSA
Rt. Rev. Rt. Hon. Richard Chartres
Bishop of London

HONORARY CHAPLAIN

The Rev Canon David Meara
Rector of St Brides
Fleet Street
London EC4Y 8AU

CHARTER TRUSTEES

Sir Jeremy Elwes, CBE ACIS FRSA
Bill (M C) Offer

Paul Rudd
Jon Wright, FCCA

The Printers' Charitable Corporation is a charity registered with the Charity Commission of England and Wales. It is incorporated under Royal Charter and its governing documents are the Charter and Byelaws. These along with our annual report and accounts can be accessed via our website.

Registered Office

Suite B
Underwood House
235 Three Bridges Road
Crawley RH10 1LS

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Web site: www.printerscharitablecorporation.co.uk

Professional Advisors

A list of the Charity's main professional advisors is to be found on page 15

The Annual Report contains details of the PCC's Charitable Objects (page 3), Objectives (page 6), Achievement and Performance (page 8) and Future Developments (Page 11). These are defined as follows:

- The Charitable Objects are laid down in its governing document, the Royal and Supplement Charters, and set the limits as to how charitable funds can be spent, who its beneficiaries are and the activities the PCC may undertake.
- The Objectives are set by the Trustees (Council) and lay down what the PCC will do to try to meet its charitable objectives and how the Council can measure the impact and effectiveness of the PCC's work. The objectives state the aims of the PCC when it comes to carry out its day to day charitable work.
- The Achievements and Performance report on how well the PCC has done against a wide range of operational, tactical and strategic objectives.
- Future Developments looks at the short to medium term plans for the charity's work.

Further details of the PCC's work can be found on the PCC website:

www.printerscharitablecorporation.co.uk

and at the Charity Commission website:

<http://www.charity-commission.gov.uk/registeredcharities/showcharity.asp?remchar=&chyno=208882>

Both sites contain a copy of the PCC's SIR (Summary Information Return) as well as other information.

Charitable Objects

(a) The relief of aged or poor and distressed persons being persons who are or were either printers or other persons employed or formerly employed in the printing trade or any allied trade.

(b) The relief of the widows and children of eligible persons deceased, such widows or children being themselves aged or in distress and in need of relief.

(c) The education of the children of eligible persons.

(for further details see the supplementary charter of 23rd October 1972).

The charity was originally established in 1827. In 1865 it was granted a Royal Charter by Her Majesty Queen Victoria, as the Printers' Pension, Almshouse, and Orphan Asylum Corporation. The original charter has been amended over the years by Supplemental Charters, most recently in 1972, when the name was changed to the Printers' Charitable Corporation.

ASSOCIATED CHARITIES

The PCC is the Trustee of the Association of Printers' Trusts and the Caxton Convalescent Home. These associated charities have similar objects to the Printers' Charitable Corporation

CHAIRMAN'S REPORT

I must start with commending the work of my predecessor, Alan Miller, whose five-year term as Chairman saw a considerable strengthening of the Charity and the establishment of the current Directorate. He has laid the foundations for the developments we hope to undertake in the coming years.

The Viscount Rothermere has been an outstanding President for 2006, visiting Beaverbrook House and Butlin House, arranging for Sir Max Hastings to be our guest speaker at the Annual Luncheon, and making a very generous donation to our funds. I am delighted to report that Sir Clive Martin (Lord Mayor of London 1999/2000) has agreed to be our President in 2007. The role of President is important since each one fills a vital role in publicising the work of the PCC through their commitment and their contacts within the industry and so help us reach more 'printers' every year.

During 2006 we co-opted two new Trustees whose appointment will be proposed at the Annual General Meeting – Stephanie de Laszlo and David Turner. They bring, respectively, considerable legal and marketing experience and we look forward to their contribution to the Council's deliberations. Alan Palmer resigned during the year and I pay tribute to the contribution he has made, particularly at Beaverbrook House. Richard Brewster has joined the Investment Committee as an adviser.

Our finances remain satisfactory, with investments standing at £28 m, income £2,095,107 and expenditure of £2,058,441 giving a surplus of £36,666. For the fourth year the charity has effectively achieved a balanced budget. This means that we have once again spent all the monies we received in the year they were given to us. This is an objective we aim to continue in the years to follow so that we can continue to offer vital services for generations to come. At the moment we have three major types of service:

The first two activities provide accommodation for people, the running of the two modern sets of sheltered apartments – Beaverbrook House at Bletchley and Southwood Court at Basildon – and the nursing home, Butlin House, at Bletchley.

Sheltered Housing

Percentage occupancy	97.05 %
Average length of stay	6 years 11 months
Average age of residents	78 yrs
Number of staff (FTE)	6.32

The sheltered homes are approximately 98% occupied and vacancies tend to be filled rapidly. Details of these facilities are found on page 6.

Special Needs Accommodation

Total Number of residents in the year	35
Average length of stay	3 years 8 months
Average age of resident	88 yrs
Number of staff (FTE)	40.63
Commission for Social Care Inspection (CSCI) rating	Adequate

Butlin House, however, continues at a worryingly low occupancy, particularly of ex-printers. The pressures of more and more stringent statutory requirements and lower local authority funding are placing a burden on the Charity that may be unsustainable in the longer term. To help resolve this a major initiative has been launched:

- An aggressive and extensive marketing of Butlin House has commenced with the aim of attracting those with a history in the printing and allied industries, but also a wider community. This has the aim of ensuring that anyone who might wish to take advantage of Butlin House knows of its existence and how to access it.

Welfare

Regular Financial Assistance

Number of people helped	219
Amount of support	£ 169,598

One Off Grants

Number of people helped	52
Average grant	£ 363
Amount of support	£ 18,861

Nursing Homes Grants

Number of people helped	14
Amount of support	£ 9,655

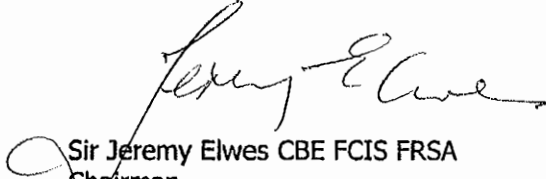
The improvement in our finances has enabled us to increase the amount spent on the third arm of our services welfare and we intend to go on expanding this important but often overlooked part of our work. From the letters and cards we receive we know that these payments make a big difference to people's lives. They do impact on independence and make possible choices which may otherwise be denied. In partnership with the British Printing Industries Federation (BPIF), we continue to award bursaries to young people in the industry and help us return to our roots in supporting education. In this we support individual's choices and the industry in which they work through the acquisition of new skills.

Knowledge Transfer Partnership (KTP)

The PCC is engaged in another major initiative which will determine its future services while responding to the changing nature of printing and allied trades, the Knowledge Transfer Partnership (KTP). This is a Government-sponsored scheme that subsidises the cost of an approved project. We have obtained a substantial grant towards the cost of a Masters graduate to make a two-year detailed study of the potential scope for the Charity to help more people. The project is jointly overseen by our Director, Stephen Gilbert, a Trustee, Fiona Morris, and Professor Paul Palmer of Cass Business School, City University in London. The graduate Chun Yi Yu has been recruited and started work on the KTP.

The industry continues to support us financially and we have been particularly grateful to *Print Week* for making us the beneficiary of the table draw at their Annual Awards Dinner. That and the generosity of our corporate supporters for our Annual Luncheon added some £3,843 to our funds. I am most grateful to all those who contribute so much – I believe we use their money wisely for the benefit of those who, in their turn, contributed to the industry they served for example we were able to purchase a new nurse call system for Butlin House, at £22,373, which helps us improve the care we offer to some of the most vulnerable people we look after.

The Council approved a new Strategy for the next five years having spent a valuable "away day" discussing the tactics for achieving its aims. Council members give greatly of their time and expertise and I express my thanks to them not only for their contribution but also for their friendship and support. Last, but certainly not least, I pay tribute, and add my personal thanks, to the Directorate under the enthusiastic and tireless leadership of Stephen Gilbert, our Director and Secretary – it has not been an easy year for them but they have served the Charity superbly.



Sir Jeremy Elwes CBE FCIS FRSA
Chairman
15 March 2007

ANNUAL REPORT 2006

OBJECTIVES AND ACTIVITIES

The PCC is the industry's leading charity. It aims to promote independence, choice, dignity and security for those who work or have worked in the printing, publishing, graphic and allied trades. It seeks to provide benefits to those who work or have worked in these industries and their dependents. It does this through the provision of three major services.

Special Needs Accommodation

Objective	Achieved
To achieve an average of 85% occupancy at Butlin House nursing home	68.97 %
Move to bring the subsidy for Butlin House within the range given by ACO by 2007	This will become relevant in 2007 and its achievement will depend to a significant degree on the level of occupancy

The charity runs a 40 bed nursing home at Bletchley near Milton Keynes. It is set in its own grounds and retired printers and/or their dependants receive a subsidy of £100 per week. The charity has invested continuously in this facility to keep it up to date and to provide the best care it can. Butlin House offers secure dignified care with as much choice and independence as is possible.

Sheltered Housing

Objective	Achieved
Subsidize the sheltered accommodation by 10%	17.26%

There are two sets of sheltered apartments, Beaverbrook House and Southwood Court, which are designed for older people (aged 60 +) who are capable of leading an independent life but feel they would benefit from living in a community, without the worry of running a home which may be too large for their needs. The Wardens and their teams encourage as much independence and choice as possible while fostering a sense of community, well being and security. Amongst the ways in which these aims are fostered are social events: organised by both the charity and residents and at Southwood Court the provision in 2006, of an internet café. It is planned to create an internet café at Beaverbrook in 2007.

The homes are at Basildon (Southwood) where there are 40 apartments and Bletchley (Beaverbrook) which has 32. The sites were originally developed in the 1960s but these buildings were demolished and rebuilt 6 years ago. The designs provide good sized rooms and in every case offer a double bedroom. Couples are welcome. The facilities have been developed so that people with a range of disabilities are able to live independently and the most obvious example of this is provision of a shower/wet room.

These facilities are very popular and usually there is a waiting list. This reflects the increased life span and people's desire to live an independent and secure life. The residents do not have to purchase the apartment but live there paying a maintenance charge. As with the nursing home, the cost of the accommodation is subsidised by the charity. In addition to their maintenance charge the residents pay their council tax (if applicable) and for the electricity they use in their apartment. Heating and all supplies to the common areas are included within their charges.

Welfare

Objective	Achieved
Agree a minimum of 60% of all applications	54.03 %
Spend a minimum of 90% of the budget	68.84%

Welfare payments reach across the UK and take a number of forms. The two most significant are regular financial assistance (RFA) and one off grants. All welfare payments are "means tested" and require completion of the charity's application forms. As a form of assistance welfare payments are very cost effective and have the

advantage of reaching a significant number of people across the UK. Regular Financial Assistance and Grants help the PCC to assist people to live independent and secure lives in their home while exercising choice.

Regular Financial Assistance (RFA)

Regular financial assistance is the successor to the original pensions and has been calculated at the rate of £16 per week. The sums are paid out twice a year in March and September meaning that beneficiaries receive over £400 on each occasion. The money can be used as they wish and at a time of their choosing. At the end of 2006 Council reviewed the level of payment details of which are in 'Achievement and Performance' page 8.

Grants

One-off Grants

These are grants for specific items and range between £300 - £500, subject to the same criteria as regular financial assistance. The PCC will make payments direct to suppliers and in common with most occupational benefit charities, the money tends to be spent on items such as beds, cookers, fridges or home improvements such as central heating and double glazing. It is quite common for the PCC to be one of a number of charities who are assisting when the sums are greater than our usual maximum grant. By working with other charities we are able to maximise the impact we have on people's lives and ensure that limited funds reach as many people as is possible.

Miscellaneous Grants

The charity will also consider topping up nursing home fees up to a maximum of £40 a week. This allows the PCC to assist those who need nursing care but cannot take advantage Butlin House. It can help people exercise choice in the home they use. The PCC also makes a small number of grants for holidays.

Activities and performance of subsidiary charities

The two subsidiary charities have limited impact because of their objects and the changed needs of printers and their dependants. The Charity Commission has been approached as to the future of these two charities and has indicated that in the case of the Association of Printers' Trusts (APT) a scheme allowing the PCC to take over APT would be acceptable. Discussions regarding Caxton Convalescent Home are continuing. Once these have been completed one or both of the subsidiary charities will be merged with the PCC. It is anticipated that a decision will be reached in 2007. This proposed alteration will have no impact on the charitable activity of the PCC but will help to reduce its compliance costs.

Association of Printers' Trusts

The objectives of the Trust as set out in the scheme are to apply the clear income of the charity for the charitable purposes of the charity called the Printers' Charitable Corporation. This it has achieved by the payment of a grant of £27,043 to the Printers' Charitable Corporation. The funds are used by the PCC to further its charitable endeavours. The Trust has a permanent endowment fund which as at 31 December 2006 stood at £ 1,157,097

Caxton Convalescent Home

The objectives of the Trust as set out in the scheme are to make grants to any convalescent home or other charitable institution providing facilities for convalescence for aged or poor or distressed persons who are or were either printers (whether or not employed or formerly employed in the printing and allied trades) or other persons employed or formerly employed in the printing trade or in any of the allied trades of ink-making, paper making, book-binding, the warehousing of ink, paper, books, or printing or binding materials, or the manufacture of type-setting, foundry, printing or binding machinery, or the widows and children of such persons. During the financial year the trust made no payments in support of its objectives because no application for assistance where made to this charity. The trust has a permanent endowment fund which stood at £ 320,220 as at 31 December 2006.

ACHIEVEMENT AND PERFORMANCE

This section sets out the detailed operational, tactical and strategic objectives created by Council and reports on the progress during 2006.

- To agree a detailed and comprehensive Strategic Plan for the next five years.
 - This has been achieved by a trustee away day. Detail of the plan are to be found in the section headed 'Future Developments' (page 11).
- The establishment of a project team to address the issues faced by Butlin House.
- To raise the average level of fees for our nursing home residents.
 - The trustees set aside a Council meeting to review the project team's report and consider the options for Butlin House. Council agreed strategic, tactical, operational and marketing plans to be reviewed in March 2007. Fee levels have been reviewed and a clear subsidy of £100 per week for printers was established. Fee levels have been calculated using full absorption costing methods.
- To maintain the current high level of occupancy of our sheltered apartments.
 - This has been achieved by marketing continued investment and the development of new services such as the installation of an 'internet café' at Southwood Court.
- To establish a fund raising strategy to raise 10% of expenditure.
 - The foundations for this work have been laid and the intention is that the strategy will be created early in 2007. This target is a long term aim which is unlikely to be achieved within four years. Council intends to report progress annually.
- Raise awareness of the PCC and its work throughout the printing and allied trades so that as many possible beneficiaries are aware of the PCC and how it can help them.
 - During 2006 the PCC has been able to maintain a stronger profile in printing industry trade magazines and websites. This is helping the Charity to become better known and its services better recognised.
 - Print Week (now the industry's only weekly magazine following its purchase of Printing World) has been particularly supportive not only through its editorial pages but also via associated events. The PCC table draw at the Print Week Awards 2006 was a particular success realising over £8,000 from the star prize of a Vespa scooter. A Printing World Auction Evening is planned for 2007 and similar success is hoped for.
 - Editorial interest has focussed on the PCC's annual results and report, the winning of the KTP research award, the Annual Lunch (at Stationers' Hall) and VIP speaker and the appointment of the 2007 President, Sir Clive Martin. During the year the PCC has gained over 20 magazine stories, mostly with illustrative pictures. An advertorial page was purchased in the Milton Keynes Citizen. A small magazine deserving our particular thanks is Copy Shop News a specialised publication circulating to High Street print shops.
 - In concert with magazine publicity we have arranged supportive advertising and entries in a variety of relevant directories and year books and their associated websites, thus ensuring that both Butlin House and our sheltered apartments come to mind for people searching for such services.

The importance of this work is that an increasingly large number of people become aware of the PCC and its work and can therefore take advantage of Butlin House, the Sheltered apartments or Welfare payments.

- To continue to seek further ways of helping printers and their dependents across the UK.

- The possibility of merger and/or a joint venture with other print-related charities will be examined.
 - These items are included in the KTP project details of which are to be found in the section headed 'Future Developments' (page 11).
 - The Print section of the trade union Amicus agreed, at the end of 2006, to join in the BPIF/PCC bursary scheme. This will increase the amount of money available to fund those who wish to progress their career within the printing industry. This is another example of the PCC extending its help by working with others.
 - At the end of 2006 the Council reviewed RFA (Regular financial assistance) and decided, in light of changes announced in the 2006 budget to lift the £16 per week limit to £20 per week from March 2007.
- To ensure that the PCC complies with 'Best Practice' in every area of its operation.
- Strengthen the Directorate.
- To improve the Risk Management of the Charity.
- Create a more formal system of Trustee Recruitment, Induction and Training and compare it with best practice.
- Review the need for, the terms of reference, the length of service and the structure of, the subcommittees.
- Increase Trustee involvement in the preparation of the SIR/Trustee Report.
 - The Directorate has been strengthened by the appointment of a Financial Administrator, Brigita Baloghova, which allows Richard Fowler, the Deputy Director, to take on increased responsibility for Personnel and Health and Safety.
 - The PCC has started a process of reviewing its operations. This commenced with the Council and followed the 'Good Governance Guide' and the creation of a new set of standing orders which aim to improve governance. Risk Management is now a standard item on every Council agenda.
 - Trustees have reviewed the performance of the charity against the Charity Commission's Hallmarks of an Effective Charity (CC37).
 - The system of trustee recruitment, induction and training has been reviewed and where appropriate strengthened. The PCC is fortunate in not having any vacancies and an appropriate turnover of trustees.
 - The committee structure has been reviewed and new terms of reference have been established for all the committees. The Sheltered Homes committees have been changed so that they concentrate on the interests of the residents and a new Premises committee will start work in 2007 to look after the fabric of the charities properties.
 - Trustee involvement in the SIR and Trustee report has increased.
 - The accounts show a significant increase in governance costs. This is the impact of use of full absorption costing and the allocation of staff time to governance, together with increase attention to this important area of the PCC. Costs have also been incurred in trustee training. Finally the cost of the KTP appears under this heading since the KTP is concerned with strategic planning. At 4% the figure does not appear to be excessive and is in line with expenditure incurred by similar charities.

Review of the Financial Position

The main areas of charitable expenditure were:

	2006 £,000	2005 £,000
Special needs accommodation	1,135	1,238
Sheltered Housing	447	382
Welfare	<u>221</u>	<u>233</u>
Total charitable expenditure	1,803	1,853
Total expenditure	2,058	1,941

The Consolidated Statement of Financial Activities (SoFA) can be found on page 19. This shows a surplus of £36,666.

The PCC's own reserves are all unrestricted and amount to £33,332,857. The reserves of the associated charities, The Association of Printers' Trusts and Caxton Convalescent Homes, are endowments funds which total £1,504,669.

Financial reserves provide the income and capital growth to fund the PCC's charitable activities by subsidising residents in our homes and meeting the full cost of welfare payments. The level of reserves is monitored regularly and reviewed annually. The role and function of reserves will be further scrutinised as part of the KTP (Knowledge Transfer Partnership) project.

£598,630 is placed in designated reserves to provide against future major capital expenditure on the charity's homes. An analysis of all the funds can be found on pages 28 and 29 in Note 15 to the accounts.

Investment Portfolio

Following the issue of a tender for the management of the portfolio UBS were appointment and the portfolio was transferred to their management in April 2006.

The Investment Committee took the opportunity to discuss at length, with UBS, the objectives of the fund, the advantages and disadvantages of adopting a total return approach and the diversity and volatility of different asset classes. As a result of the discussion the PCC has invested 10% of the portfolio in hedge funds (3 Fund of Funds) to manage the volatility of income and capital growth by using a non-correlated asset class. Investment Committee agreed strategic and tactical asset allocation within which UBS manage the portfolio. Investment Committee meets a minimum of three times a year to review the performance of the portfolio. Details of the Investment policy are to be found on page 16.

In 2006 the value of the portfolio grew from £ 26,185,326 to £27,861,540 and it generated an income of £859,946.

Taxation

The PCC is a registered charity which can claim exemption under section 505 (Income and Corporation Taxes Act 1988) for income and gains which are applied for charitable purposes. The charity is a non business for Vat purposes and is unable to recover the Vat it incurs in the course of its activities.

Supplier Payments Policy

The PCC does not impose standard payment terms on its suppliers but agrees specific terms with each supplier and then pays in accordance with this agreement.

FUTURE DEVELOPMENTS

During 2006 the trustees met at an away day to create a strategy for the next five years. They reached the following conclusions:

Where do we want to be?

A truly national Charity, helping more people.

By when do we want to be there?

The time scale is the next 5-10 years. However, the strategic plan will only cover the next 5 years and will be subject to review.

How will we get there?

There were a number of steps to be undertaken;

Service Users

- To consider the advantages and disadvantages of re-establishing the link between membership and benefits.
- Raise awareness of the PCC and its work throughout the trades.
- Examine the possibility of joint delivery of services at Butlin and Beaverbrook Houses.
- Knowledge Transfer Partnership (KTP).
The PCC joined with City University's Cass Business School in submitting a request for funding for a KTP grant which was successful. This allowed the PCC to access the expertise and to employ someone to carry out research and the development of new services based on need.

The purpose of this activity is to enable the PCC to continue to offer services which are relevant to those who work or have worked in the printing and allied industries. In so doing the PCC has to take account of the changing nature of the industries it serves and the changes taking place in British society. The KTP and other work aim to develop cost effective and sustainable services which meet the test of promoting independence, choice, dignity and security.

Staff

- Strengthen the Directorate.
- Create succession plans for both the directorate and the Homes.
- The staffing levels and work organisation at the Directorate and the Homes needs to be.
- An analysis of staffing needs now and in the future is required (bearing in mind any planned expansion of activities).

Management and Governance

- To improve the Risk Management of the Charity.
- Review the Charter; including taking expert opinion on the definition of Printers and Allied Trades People, together with dependents, in light of Council's working definition.
- Review staff remuneration policy (including performance-related pay and other benefits).
- Create a more formal system of Trustee Recruitment, Induction and Training and compare it with best practice.
- Review the need for, the terms of reference, the length of service and the structure of, the sub-committees.
- Increase Trustee involvement in the preparation of the SIR/Trustee Report.
- The Council should consider how best to appraise its effectiveness.
- The implications for governance and management of any expansion outside the Home Counties will be examined.

Finance

- The establishment of a project team to address the issues faced by Butlin House.
- Establish an effective fundraising facility with targets for net income generation.
- Examine ways to maximise the functional fixed assets of the PCC.
- The possibility of merger and/or a joint venture with other print-related charities will be examined.

Knowledge Transfer Partnership (KTP)

The charity was successful in obtaining approval for its Knowledge Transfer Partnership (KTP) application which was made with Cass Business School (City University). This is a two year programme costing £120,000 of which the government provides £80,000. The PCC has to raise a further £40,000. The KTP will play a major role in delivering the strategic plan.

KTP was developed for industry and designed to allow small to medium enterprises (SMEs) to gain access to research being carried out in Britain's universities. The reason for this is that the SME sector is an area of growth for the economy. However, this sector lacks research departments which can develop new products or services. KTP was created to fill this gap and has been extremely successful in doing so.

Traditionally, charities have come into being because one or more people have a passion to do something and the PCC is no exception. For the PCC, just having an idea is no longer good enough. The charity is well established and trying to reach a national community that is anything but homogenous. Therefore the PCC is borrowing from best practice within the commercial sector to develop new services which are wanted and needed by the people it is trying to help. The KTP gives the PCC additional resources which is important because the directorate is small and in common with SMEs does not have spare capacity nor a research department.

The process that will be followed is clear and will start with desk research. Here Cass Business School and its resources will be of great assistance. The next stage is to talk to people in the industry. This activity will result in the initial proposals for new and/or enhanced services.

The services will need to be tested to ensure that the PCC can deliver them at a cost it can sustain and identify sources to fund them.

The new services will be test marketed and the results will be fed back into the service design to help ensure that they meet the needs of those who work or have worked in the industry. This may result in some of the proposals being dropped, modified or launched without alteration. Once the final decision has been made by Council on the new or enhanced services, they will be launched nationally and embedded within the PCC. At that point the programme, which has just two years to achieve its goals, will come to an end.

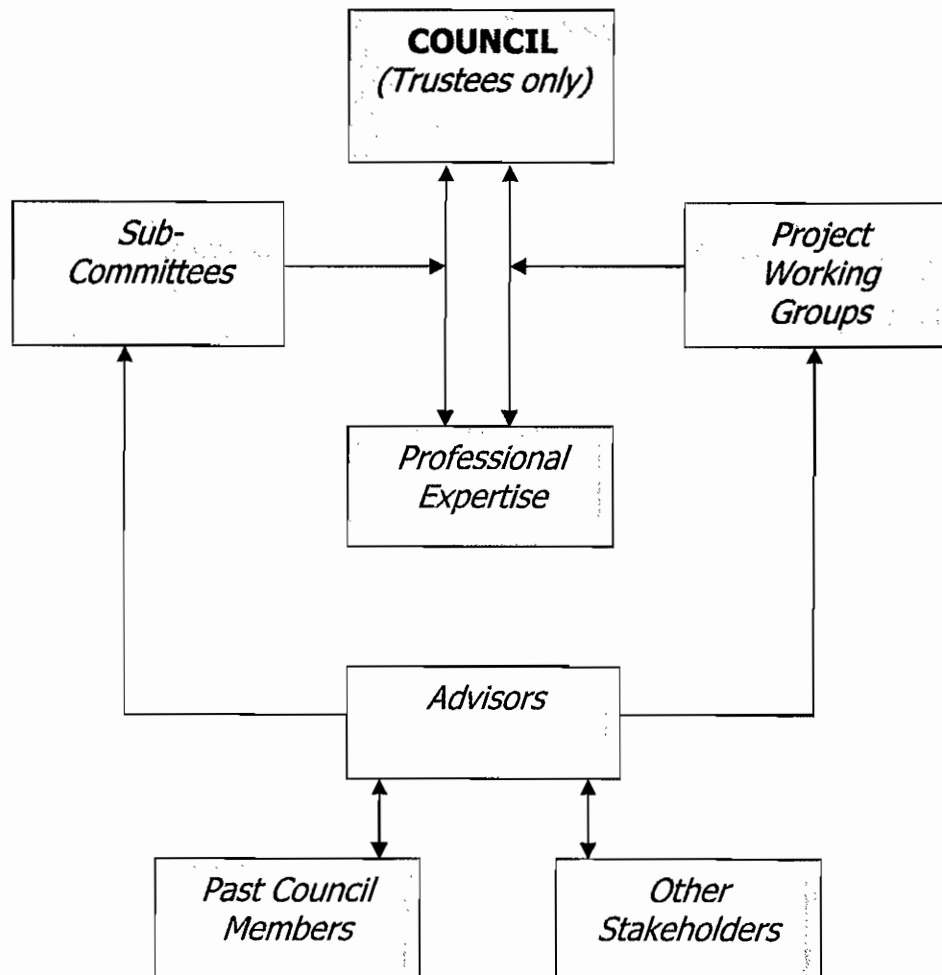
CHARITY GOVERNANCE AND MANAGEMENT

The ultimate governing body of the PCC is the Council. The Council has established standing orders, which are to be reviewed annually, to govern its role and that of the staff. The Council met six times in 2006.

A number of sub-committees exist to assist the Council in fulfilling its role. Of these only the Investment Committee has delegated powers. The role and purpose of the sub-committees has been reviewed and where appropriate new terms of reference issued. Particular attention has been paid to the need to review membership of committees in line with current best practice in governance of charities.

The day to day management of the charity has been delegated to the Director and Secretary as laid down in the charity's standing orders.

Structure of Council and Committees



COUNCIL

Chairman:

Sir Jeremy Elwes, CBE ACIS FRSA

Deputy Chairman:

Paul Rudd

Honorary Treasurer:

Jon Wright, FCCA

Council Members:

John Bettis* (to March 2006)

Stephanie De Laszlo LL.M†
(from September 2007)

Geoff Dunn, MIP₃ FinstD*

Vyvyan Harmsworth LVA (to March 2006)

John Hart* (to March 2006)

Ken Johnson*

Alan Miller, ACMA

Fiona Morris

Glen Norton*

Bill (M.C) Offer, BEd (Hons) MIP₃ FTC

Steve Oram, MPhil FCMI

Alan Palmer (to October 2006)

James Povey

Steve. Sibbald

Tony Sheen

Brian Skerritt

David Turner† (from October 2007)

* Honorary Advisors

† Co-opted Member

Trustee Recruitment

The 2000 to 2005 strategy identified succession, retirement and skills gaps issues faced by the Council. A process of recruitment was undertaken to fill these gaps by positively identifying potential candidates. This was supported by a personal interview with the Chairman to ensure that each individual met the established criteria and the needs of the charity. The policy has been updated to provide opportunities for advertising the need for trustees using PCC News. The Chairman has initiated a skills audit which will form the basis of future recruitment.

Council members may initially be co-opted but are then subject to election at the next AGM. One third of Council members retire at each AGM and are eligible for re-election provided they have not then reached the age of 70 on or before the AGM.

Director & Secretary to the Corporation

and to the Association of Printers' Trusts and the Caxton Convalescent Home:

Stephen Gilbert, MSc FCIS FRSA

PCC Directorate staff

Richard Fowler - Deputy Director

Brigita Baloghova – Financial Administrator

Alison Braganza BSc - PA to the Director

Linda Watts - Welfare Administrator and IT Officer

PCC Service Heads

Butlin House Nursing Home

Beaverbrook House

Southwood Court

Welfare

Penny Barkham – Home Manager

Kathy Lintonbon - Warden

Margaret Duff - Warden

Linda Watts – Welfare Administrator

KTP Strategic Associate

(employee of City University)

Chun Yi Yu MBA BSc

COMMITTEES - 2006

* Honorary Advisors

† Co-opted Member

Beaverbrook House Committee

Tony Sheen (Chairman from December 2006)
A Palmer (to October 2006)
Bill Bierton (to December 2006)
Kim Dulson
John Hart*

Michael Pegge (to October 2006)
Stephen Gilbert
Richard Fowler
Kathy Lintonbon

Southwood Court Committee

Brian Skerritt (Chairman)
John Bettis*
Kay Boucher
Geoff Dunn*

Terry Green
Clive Pike
Stephen Gilbert
Margaret Duff

Butlin House Committee

Bill (M.C) Offer (Chairman)
Keith Keys
Steve Oram (from April 2006)
Alan Palmer (to October 2006)

Penny Barkham
Stephen Gilbert
Richard Fowler

Investment Committee

Alan Miller (Chairman)
Sir Frank Barlow, CBE
Tom Corrigan CA
Norman Garrod, CBE (to February 2006)

Sir Jeremy Elwes CBE
Jon Wright
Stephen Gilbert
Richard Fowler

Public Relations & Events Committee

Paul Rudd (Chairman)
Geoff Dunn*
Steve Oram (to April 2006)
Glen Norton*

James Povey
David Turner† (from September 2006)
Stephen Gilbert
Terry Ulrick

Staff Committee

Sir Jeremy Elwes
Bill (M.C) Offer

Jon Wright
Stephen Gilbert

PROFESSIONAL ADVISORS

AUDITORS

Baker Tilly
Hanover House
18 Mount Ephraim Road
Tunbridge Wells TN1 1ED

BANKERS

Barclays Bank PLC
Hatton Garden Business Centre
99 Hatton Garden
London EC1N 8DN

INVESTMENT ADVISERS

UBS AG
1 Curzon Street
London W1J 5UB

SOLICITORS

Brown Cooper Monier-Williams
71 Lincoln's Inn Fields
London WC2A 3JF

SURVEYOR TO THE FABRIC

M Chesson Associates
4-5 Station Parade
Eastbourne BN21 1BE

CHARITY POLICIES

Grant Making Policy

The PCC does not make any grants to institutions. All of its grants, be they regular support or one-off grants, are made to individuals to relieve hardship and distress (as defined in Trustees of Mary Clark Home v Anderson). Regular Financial Assistance (RFA) is assessed annually and the PCC is under no obligation to continue RFA. The level of the payment is judged against the criteria set out in the charity's Standing Orders. The criteria, policy and procedure are monitored annually to ensure that they meet the PCC's objectives.

Investment Policy

This policy has been prepared in the light of the Trustee Act 2000 and the Statement of Recommended Practice (SORP) 2005 for Charities.

The PCC depends largely on income from its investments to carry on its charitable activities. Capital and income growth which over the long term will endeavour to maintain at least the real value of the portfolio's assets, relative to prevailing economic conditions. There are no specific restrictions other than the limitations imposed by the PCC's existing Charter and that the investments should be suitable for Trusts. No further limits by way of ethical investment are necessary.

The Council of the PCC has agreed that the investment portfolios of the PCC and subsidiary charities shall be managed on a discretionary basis by the fund manager, UBS. The investment objective is to be achieved by investment in balanced portfolio with a medium risk profile comprised of equities, fixed interest, alternative investments and cash.

In order to monitor progress, the fund manager provides quarterly total performance reports. Investment Committee monitors performance and considers from time to time whether there is a need to revise the Investment Policy.

Recruitment Induction and Training of Trustees

The Council have based their policy and practice on guidance from the Institute of Chartered Secretaries and Administrators (ICSA). The policy takes the form of the provision of the Trustee Handbook, which was developed in 2004 and fully revised in 2006. This contains the major documents which govern the management of the charity and the role of trustees including a copy of the Royal Charter and Byelaws, trustee role description and standing orders. New trustees receive an induction pack based on ICSA guidance. This is supported by a meeting with the Director and Secretary to discuss relevant issues prior to attending their first Council meeting. The trustee has another meeting with the Director approximately three months after appointment to discuss any issues that may have arisen. The policy is reviewed annually.

Trustees receive details of relevant training courses from time to time. In addition to mailings details of training are provided in the Director's report to the Council.

Reserves Policy

The level of reserves is monitored annually in the light of demands on the PCC's funds and its plans for the future. Particular attention is paid to the variety and level of income streams and the degree to which they can be relied upon. Given the charity's dependence on investment income the level of reserves is calculated with reference to the investment parameters provided to the professional managers by the Council. The PCC also considers the level of expenditure, its variability and the impact of any reduction in its expenditure on beneficiaries and service users. This policy has been agreed by the Council and will be monitored and reviewed annually especially in light of the results of the KTP research (page 12). At 31 December 2006, unrestricted reserves totalled £33,332,857 of which £598,630 are designated. Detailed of the purpose of designated funds are included in note 15. At 31 December 2006, endowment reserves totalled £1,504,669.

Risk Management

The trustees have completed an initial assessment of the major risks to which the charity is exposed, in particular those related to the operations, finances and reputation of the PCC and are satisfied that the systems are in place to mitigate our exposure to the risks.

Statement of the Council's responsibilities in respect of the financial statements

Law applicable to charities in England & Wales requires the trustees to prepare financial statements, for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

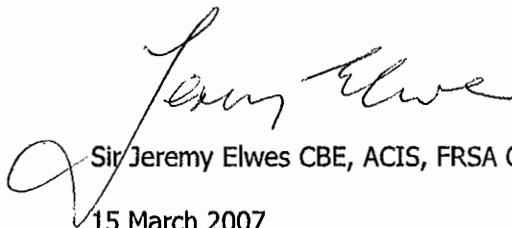
The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2006, SORP 2005 and the Supplemental Royal Charter October 1972 with Associated Byelaws May 2004. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed and authorised for issue on behalf of the Council



Sir Jeremy Elwes CBE, ACIS, FRSA CHAIRMAN
15 March 2007

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF PRINTERS' CHARITABLE CORPORATION

We have audited the financial statements on pages 19 to 31

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the 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.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 Charities Act 1993. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charity's and its subsidiaries' affairs as at 31 December 2006 and of their incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.

BAKER TILLY
Registered Auditor
Chartered Accountants
Tunbridge Wells



15 March 2007

Consolidated Statement of Financial Activities
for the year ended 31st December 2006

	Note	Unrestricted Funds £	Endowment Funds £	2006 Total £	2005 Total £
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income		27,370	-	27,370	15,650
Activities for generating funds	6	32,461	-	32,461	24,390
Investment income	5	816,693	43,253	859,946	800,554
Incoming resources from charitable activities:					
Sheltered housing	2	383,034	-	383,034	366,492
Special needs accommodation	2	792,296	-	792,296	750,167
Total incoming resources		2,051,854	43,253	2,095,107	1,957,253
Resources expended					
Cost of generating funds:					
Public Relations		37,721	-	37,721	46,655
Fundraising	6	28,618	-	28,618	15,122
Investment management		98,208	6,499	104,707	-
Charitable activities:					
Sheltered housing	2	447,330	-	447,330	382,366
Special needs accommodation	2	1,134,731	-	1,134,731	1,238,290
Welfare	7	193,841	27,043	220,884	233,188
Governance costs		81,392	3,058	84,450	25,418
Total resources expended		2,021,841	36,600	2,058,441	1,941,039
Net incoming resources before transfers		30,013	6,653	36,666	16,214
Gross transfers between funds		(21,534)	21,534	-	-
Net incoming resources before investment gains	9	8,479	28,187	36,666	16,214
Unrealised and realised gains and losses on investment assets		1,319,454	130,041	1,449,495	2,957,172
Net movement in funds for the year		1,327,933	158,228	1,486,161	2,973,386
Fund balances brought forward at 1 January		32,004,924	1,346,441	33,351,365	30,377,979
Fund balances carried forward at 31 December		33,332,857	1,504,669	34,837,526	33,351,365

The incoming resources and net movement in funds for the current and prior years relate to continuing activities.

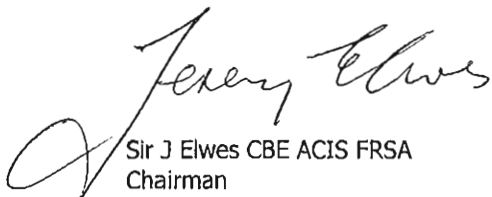
All realised gains and losses are included within the Statement of Financial Activities.

Consolidated Balance Sheet
As at 31st December 2006

	Note	Unrestricted Funds £	Endowment Funds £	2006 Total £	2005 Total £
Fixed Assets					
Tangible fixed assets	10	6,523,427	-	6,523,427	6,663,394
Investments	11	26,400,494	1,461,046	27,861,540	26,185,326
		<u>32,923,921</u>	<u>1,461,046</u>	<u>34,384,967</u>	<u>32,848,720</u>
Current Assets					
Debtors	12	566,183	34,391	600,574	389,041
Cash at bank and in hand		105,550	18,199	123,749	252,029
		<u>671,733</u>	<u>52,590</u>	<u>724,323</u>	<u>641,070</u>
Current Liabilities					
Creditors: amounts falling due within one year	13	(262,797)	(8,967)	(271,764)	(138,425)
Net current assets		408,936	43,623	452,559	502,645
Total assets less current liabilities		<u>33,332,857</u>	<u>1,504,669</u>	<u>34,837,526</u>	<u>33,351,365</u>
Funds					
Revenue reserve	15	32,306,710	1,233,294	33,540,004	30,272,962
Investment revaluation reserve	15	427,517	271,375	698,892	2,494,335
Designated reserves	15	598,630	-	598,630	584,068
		<u>33,332,857</u>	<u>1,504,669</u>	<u>34,837,526</u>	<u>33,351,365</u>

The unrestricted funds solely and exclusively represent the financial activity and position of the Printers' Charitable Corporation, the parent charity, other than balances owed from or to the subsidiary undertakings which have been removed on consolidation.

These financial statements were approved by the Council of the Printers' Charitable Corporation on 15 March 2007 and signed and authorised for issue on its behalf by:


Sir J Elwes CBE ACIS FRSA
Chairman


S C Gilbert MSc FCIS FRSA
Director & secretary

Consolidated Cashflow Statement**for the year ended 31st December 2006**

	Note	2006 £	2005 £
Net cash outflow from operating activities	18a	(526,041)	(767,851)
Return on investments and servicing of finance	18b	676,964	800,556
Capital expenditure and financial investment	18c	(279,203)	(68,983)
Decrease in cash in period	18d	<u>(128,280)</u>	<u>(36,278)</u>

NOTES

1 Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, the Charities Act 1993 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

a) Basis of accounting

The financial statements have been prepared on the historical cost basis as modified by the inclusion of investments at market value.

b) Consolidation

The Corporation's Council are appointed as Trustees to the subsidiary undertakings detailed in Note 19 and there is a requirement to prepare consolidated accounts. The consolidated accounts include the Corporation and its subsidiary undertakings for the year ended 31 December 2006.

c) Voluntary income

Donations are accounted for on a receivable basis. Donations received under Gift Aid are shown inclusive of taxation recoverable. Legacy income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

d) Incoming resources from charitable activities

Income from the provision of sheltered housing and special needs accommodation is accounted for on an accruals basis.

e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Irrecoverable VAT is charged against the category of resources expended from which it was incurred.

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with the general running of the charity and include the operations of the Council and addressing constitutional, audit and other statutory requirements.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

f) Allocation of Support Costs

The costs of functions, which support more than one of the charity's activities, have been allocated to those activities based on time spent.

g) Grants payable

Grants payable are accounted for on award to the recipient.

h) Investments

Investments are stated at their mid-market value at 31 December. Realised gains and the change in value of investments held at the year-end are taken to the statement of financial activities. Realised gains represent the difference between net proceeds of sales less the original cost, unrealised gains represent the movement after taking account of sales in the year, in the difference between the market value of securities at the year end and their original cost. Gross income from fixed interest securities is accounted for on a receivable basis.

i) Tangible assets and depreciation

Items of expenditure of a capital nature exceeding a de minimis level of £250 are capitalised and included in fixed assets at cost or valuation at the date of donation. Items of expenditure that are below the de minimis limit are taken directly to the Statement of Financial Activities. Depreciation is calculated on a straight-line basis to write down the cost of the assets over their estimated useful lives at the following rates:

- Freehold Buildings 2% per annum
- Fixtures and Fittings - General 10% per annum
- Electrical & Computer Equipment 20% per annum

j) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of transaction. All translation differences are taken to the income and expenditure account as they arise.

k) Revenue and designated reserves

Generally all donations, realised capital gains and other receipts of a capital nature are added to the revenue reserve, unless required for specific projects. Any income not utilised on charitable expenditure or in meeting the and other expenses of the year in which it is earned, is set aside for specific projects.

l) Pension costs

The Corporation operates a defined contribution group personal pension plan. Pension costs are accounted for on the basis of charging actual costs of providing pensions during the year.

m) Operating lease costs

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

n) Liquid resources

For the purposes of preparing the cash flow statement all short term deposits with a maturity greater than one day but less than one year are treated as liquid resources.

o) Corporation tax

The charity is not liable to corporation tax due to its charitable objectives.

2 Particulars of income and expenditure from lettings	2006	2005
	Unrestricted Funds & Group £	Unrestricted Funds & Group £
Income from lettings		
Sheltered housing		
Rent receivable net of identifiable service charges	378,137	363,983
Service charges receivable	16,513	15,633
Gross rents receivable	<u>394,650</u>	<u>379,616</u>
Less: Rent losses from voids	<u>(11,616)</u>	<u>(13,124)</u>
	383,034	366,492
Special needs accommodation	792,296	750,167
Total income from lettings	<u>1,175,330</u>	<u>1,116,659</u>
Expenditure on letting activities		
Sheltered housing		
Services	28,767	27,136
Management	193,891	160,287
Routine Maintenance	67,174	57,179
Major repairs expenditure	22,034	2,586
Depreciation	<u>135,464</u>	<u>135,178</u>
	<u>447,330</u>	<u>382,366</u>
Special needs accommodation		
Services	758,110	776,280
Management	264,960	317,438
Routine Maintenance	55,613	58,402
Major repairs expenditure	5,610	38,654
Depreciation	<u>50,438</u>	<u>47,516</u>
	<u>1,134,731</u>	<u>1,238,290</u>
Total expenditure on lettings	<u>1,582,061</u>	<u>1,620,656</u>
Operating deficit on letting activities	<u>(406,731)</u>	<u>(503,997)</u>

3 Officers' and Directors' emoluments

Details of remuneration payable to the officers (members of the Council) and the chief executive (Director) are as follows:

	Unrestricted Funds & Group £	Unrestricted Funds & Group £
Total emoluments of Director (including pension contributions and benefits in kind)	66,828	68,880
Total expenses reimbursed to the Director not chargeable to United Kingdom income tax	6,881	10,221
Pension contributions made for the Director	3,060	2,880
Total expenses reimbursed to officers not chargeable to income tax	11,125	12,491

The number of officers and Directors who received emoluments (excluding pension contributions) in the following range was:

Chairman	-	-
Highest paid Director	£60,000 to £69,999	1

The officers do not receive any remuneration (including pension contributions) other than reimbursement of expenses. Travel expenses were reimbursed to 8 officers. (2005: 6 officers)

Director's Pension Scheme

The Director is an ordinary member of the group personal pension plan and does not receive any enhanced benefits or special terms.

4 Employees

	2006	2005
	Unrestricted Funds & Group No.	Unrestricted Funds & Group No.
Average weekly number of persons (including part-time employees) employed during the year:		
Sheltered accommodation	9.7	9.5
Nursing Home	48.7	49.4
Head Office	4.3	3.9
	<u>62.7</u>	<u>62.8</u>
The average number of employees expressed in full time equivalents:		
Sheltered accommodation	6.3	6.3
Nursing Home	40.6	37.6
Head Office	4.2	3.9
	<u>51.1</u>	<u>47.8</u>
Staff costs (for the above persons and the Director)	£	£
Wages and salaries	877,929	880,143
Social Security costs	68,739	66,746
Other pension costs	12,489	12,360
Agency staff	97,592	113,100
	<u>1,056,749</u>	<u>1,072,349</u>

The above staff costs include agency staff who are not employees of the Corporation.

5 Investment income

	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
	£	£	£	£
Investment income - listed	810,998	43,132	854,130	792,774
Bank interest receivable	5,695	121	5,816	7,780
	<u>816,693</u>	<u>43,253</u>	<u>859,946</u>	<u>800,554</u>

6 Activities for generating funds

	2006			2005
	Income	Expenditure	Unrestricted & Group Surplus	Unrestricted & Group Surplus
	£	£	£	£
Annual Printing Charity Luncheon	20,835	16,945	3,890	3,084
Other	11,626	11,673	(47)	6,184
	<u>32,461</u>	<u>28,618</u>	<u>3,843</u>	<u>9,268</u>

7 Welfare Costs

During the course of the year a variety of grants were made to individuals. The cost of these grants and the administration thereof, are as follows:

	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
	£	£	£	£
Regular financial assistance	142,555	27,043	169,598	163,722
Nursing home grants	9,655	-	9,655	22,039
One-off grants	18,861	-	18,861	23,868
Convalescence	-	-	0	370
BPIF Bursary administration	914	-	914	1,800
Administration costs	21,856	-	21,856	21,389
	<u>193,841</u>	<u>27,043</u>	<u>220,884</u>	<u>233,188</u>

8 Support Costs

Activity	Direct Costs £	Support Costs £	2006	2005
			Unrestricted & Group Surplus £	Unrestricted & Group Surplus £
Public relations	22,662	15,059	37,721	46,655
Fundraising	17,571	11,047	28,618	15,122
Sheltered housing	407,612	39,718	447,330	382,366
Special needs accommodation	1,078,591	56,140	1,134,731	1,238,290
Welfare	172,085	21,756	193,841	233,188
Investments	92,403	5,805	98,208	-
Knowledge Transfer Partnership	4,634	-	4,634	-
Governance costs	17,642	59,116	76,758	25,418
Total	1,813,200	208,641	2,021,841	1,941,039

Support costs totalling £208,641 (2005: £215,381) have been allocated across activities. These include costs associated with finance, payroll, providing management, property, IT and other central services. Costs have been allocated based on time spent by the Directorate supporting the various activities.

9 Net movement in funds for the year

	Unrestricted Funds £	Endowment Funds £	2006 Total £	2005 Total £
Net movement in funds for the year is stated after charging:				
Depreciation on tangible fixed assets	192,522	-	192,522	186,423
Auditors Remuneration for 2006	9,752	2,468	12,220	11,867
Operating lease charges - buildings	10,260	-	10,260	11,585

10 Fixed Assets**Tangible fixed assets**

Cost	Freehold buildings 20%	Fixtures and Fittings		Unrestricted Funds & Group Total £
	£	10% £	20% £	
At 1st January	7,810,577	438,463	129,421	8,378,461
Additions	-	5,985	48,140	54,125
Disposals	-	(15,339)	(8,744)	(24,083)
At 31st December	7,810,577	429,109	168,817	8,408,503
Depreciation				
At 1st January	1,252,687	370,538	91,842	1,715,067
Charge for year	156,212	15,252	21,058	192,522
Disposals	-	(13,769)	(8,744)	(22,513)
At 31st December	1,408,899	372,021	104,156	1,885,076
Net book value				
At 31st December 2006	6,401,678	57,088	64,661	6,523,427
At 31st December 2005	6,557,890	67,925	37,579	6,663,394
Insurance value of freehold buildings	2006 £ 11,046,470			2005 £ 14,325,249

11 Investments at market value	Unrestricted Funds	Endowment Funds	Total
	£	£	£
Listed Securities			
As at 1st January 2006	24,861,011	1,321,347	26,182,358
Additions	25,287,236	-	25,287,236
Disposal proceeds	(25,670,880)	(288,589)	(25,959,469)
Unrealised and realised gains and losses	1,138,041	130,041	1,268,082
As at 31st December 2006	25,615,408	1,162,799	26,778,207
Deposits	£	£	£
As at 1st January 2006	2,069	899	2,968
Additions	25,888,840	297,348	26,186,188
Disposal proceeds	(25,287,236)	-	(25,287,236)
Unrealised and realised gains and losses	181,413	-	181,413
As at 31st December 2006	785,086	298,247	1,083,333
Group	Listed Securities	Deposits	Total
	£	£	£
As at 1st January 2006	26,182,358	2,968	26,185,326
Additions	25,287,236	26,186,188	51,473,424
Disposal proceeds	(25,959,469)	(25,287,236)	(51,246,705)
Unrealised and realised gains and losses	1,268,082	181,413	1,449,495
As at 31st December 2006	26,778,207	1,083,333	27,861,540

The Managed Funds shown as Listed Securities, cover a range of holdings, including Gilts, not separately identified

(a) Market value	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
	£	£	£	£
Listed on London stock exchange	25,615,408	1,162,799	26,778,207	26,182,358
Deposits with investment managers	785,086	298,247	1,083,333	2,968
	26,400,494	1,461,046	27,861,540	26,185,326
(b) At cost value at date of donation	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
	£	£	£	£
Listed on London stock exchange	25,291,135	891,424	26,182,559	23,666,876
Deposits with investment managers	681,842	298,247	980,089	2,969
	25,972,977	1,189,671	27,162,648	23,669,845
12 Debtors	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
	£	£	£	£
Rents and service charges	19,131	-	19,131	38,936
Loans to beneficiaries (secured)	133,971	-	133,971	138,971
Other debtors	177,174	34,330	211,504	181,407
Prepayments and accrued income	235,907	61	235,968	29,727
	566,183	34,391	600,574	389,041

Loans to beneficiaries have no fixed terms of repayment and, therefore, might not be recovered within one year.

13 Creditors	Unrestricted Funds	Endowment Funds	2006 Total	2005 Total
Amounts falling due within one year	£	£	£	£
Rent received in advance	219	-	219	820
Taxation and social security	20,383	-	20,383	16,384
Other creditors	89,513	-	89,513	47,382
Accrued expenditure	152,682	8,967	161,649	73,839
	262,797	8,967	271,764	138,425

14 Operating leases

At 31st December 2006 the Corporation was committed to making payments under non-cancellable operating leases of £10,260 (2005: nil)

15 Reserves

The reserves shown below are set aside for the following purposes:

Revenue Reserve

Funds that are available to be expended in accordance with the aims and objectives of the charity.

Investment Revaluation Reserve

The unrealised value of the investment portfolio; that is, the difference between market value and book cost at the year-end.

Welfare Facilities Fund

For the provision of welfare facilities including renewal of sheltered homes.

Butlin House Fund

For substantial periodic repairs and further improvements to Butlin House.

Cyclical Repairs and Maintenance Reserve

To meet maintenance costs occurring at regular intervals for the almshouses. The provision follows recommended minimum levels outlined by the Almshouse Association.

Extraordinary Repairs Reserve

To meet future major expenditure for the almshouses. The provision follows recommended minimum levels outlined by the Almshouse Association.

Unrestricted Funds	Balance 31 December 2005 £	Incoming resources £	Gains / (losses) £	Transfers £	Balance 31 December 2006 £
Printers' Charitable Corporation					
Revenue Reserve	29,069,592	30,013	3,243,201	(36,096)	32,306,710
Investment Revaluation Reserve	2,351,264		(1,923,747)		427,517
Welfare Facilities Fund	33,092			-	33,092
Butlin House Fund	222,233			(5,610)	216,623
Cyclical Repairs and Maintenance Reserve	258,641			22,045	280,686
Extraordinary Repairs Reserve	70,102			(1,873)	68,229
	32,004,924	30,013	1,319,454	(21,534)	33,332,857

Purpose of transfers made during the year:

Revenue Reserve	This reserve consists of unrestricted and undesignated funds. It is drawn on from time to time as deemed prudent by the Trustees to fulfill the charity's objects.
Butlin House Fund	For the provision of funds to cover the future maintenance of the nursing home
Cyclical Repairs and Maintenance Reserve	For the provision of funds to cover the future maintenance of the sheltered homes, less actual costs incurred in the year.
Extraordinary Repairs Reserve	For the provision of funds to cover the future maintenance of the sheltered homes, less actual costs expended incurred in the year.

Endowment Funds

	Balance 31 December 2005 £	Incoming resources £	Gains £	Transfers £	Balance 31 December 2006 £
Association of Printers' Trusts					
Revenue Reserve	940,472	-	2,181	22,159	964,812
Investment Revaluation Reserve	114,616		104,726		219,342
Caxton Convalescent Homes					
Revenue Reserve	262,898	6,653	(444)	(625)	268,482
Investment Revaluation Reserve	28,455		23,578		52,033
	<u>1,346,441</u>	<u>6,653</u>	<u>130,041</u>	<u>21,534</u>	<u>1,504,669</u>

Analysis of net assets between funds

	Unrestricted			Endowment		Total £
	Revenue Reserve £	Investment Revaluation Reserve £	Designated Reserves £	Revenue Reserve £	Investment Revaluation Reserve £	
Tangible fixed assets	6,523,427		-	-	-	6,523,427
Investments	25,374,347	427,517	598,630	1,189,671	271,375	27,861,540
Current assets	671,733	-	-	52,590	-	724,323
Current liabilities	(262,797)	-	-	(8,967)	-	(271,764)
Net assets	<u>32,306,710</u>	<u>427,517</u>	<u>598,630</u>	<u>1,233,294</u>	<u>271,375</u>	<u>34,837,526</u>

16 Capital Commitments

At 31 December 2006 there were no capital expenditure commitments

17 Pension Scheme

From February 1995 the Corporation contributes to a defined contribution pension scheme, which is a group personal pension plan managed by Sun Life Assurance Society Plc. It makes payments in respect of certain members of its staff to Sun Life personal pension plans. The pension cost charge represents contributions payable by the Corporation to the plan and amounted to £12,489 (2005: £12,360).

18 Notes to the cash flow statement

	2006 Group £	2005 Group £	
a) Net cash outflow from operating activities			
Net incoming resources	36,666	16,214	
Depreciation on tangible fixed assets	192,522	186,423	
Loss on disposal of tangible fixed assets	1,570	3,693	
Decrease/(increase) in endowment cash balances	(1,641)	3,430	
(Increase)/decrease in other debtors	(28,551)	(169,399)	
(Decrease)/increase in creditors	133,339	(7,658)	
Investment income	(859,946)	(800,554)	
Net cash outflow from operating activities	<u>(526,041)</u>	<u>(767,851)</u>	
b) Return on investments and servicing of finance			
Investment income received	676,964	800,556	
Net cash inflow for returns on investments and servicing of finance	<u>676,964</u>	<u>800,556</u>	
c) Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(54,125)	(20,154)	
Receipts from sales of tangible fixed assets	-	50	
Payments to acquire investments	(51,473,424)	(965,449)	
Receipts from sales of investments	51,246,705	920,000	
Net movement in cash flows attributable to endowment funds	1,641	(3,430)	
Net cash outflow for capital expenditure and financial investment	<u>(279,203)</u>	<u>(68,983)</u>	
d) Reconciliation of net cash movement to movement in funds			
Analysis of changes in net funds	At	Cash	At
	1 January	flows	31 December
	2006		2006
Cash at bank and in hand	<u>252,029</u>	<u>(128,280)</u>	<u>123,749</u>

19 Subsidiary undertakings

The following managed undertakings are deemed to be subsidiaries under Financial Reporting Standard 2 (FRS) by virtue of the ability of the Printers' Charitable Corporation to be appointed as Trustees, and in accordance with FRS2, the results of the subsidiaries are incorporated in the consolidated financial statements.

Name	Country of Registration	Principal Activity
Association of Printers' Trusts	UK	Charity
Caxton Convalescent Home	UK	Charity

For both subsidiary undertakings, income was derived from its' investment portfolio. Resources expended, include amounts paid to beneficiaries of the Printers' Charitable Corporation, by way of regular financial assistance totalling £27,043. Administration and Governance costs of £3,058 were charged by the Printers' Charitable Corporation to cover audit, staff time and use of facilities.

	Association of Printers Trusts	Caxton Convalescent Home	2006 Total	2005 Total
	£	£	£	£
Incoming resources	33,722	9,531	43,253	38,297
Resources expended	(33,722)	(2,878)	(36,600)	(30,597)
Gains on revaluation of investments	106,907	23,134	130,041	166,588
Surplus for the year	<u>106,907</u>	<u>29,787</u>	<u>136,694</u>	<u>174,288</u>
Assets	1,190,538	323,098	1,513,636	1,347,322
Liabilities	(33,441)	(2,878)	(36,319)	(6,699)
Funds	<u>1,157,097</u>	<u>320,220</u>	<u>1,477,317</u>	<u>1,340,623</u>

20 Legislative status

The Corporation is a registered charity.

