

**THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE 15 MONTHS ENDED 31 DECEMBER 2013**

FRIDAY



\*L3G8Y615\*

LD2

12/09/2014

#34

COMPANIES HOUSE

## **Legal and Administrative Information**

Trustees: Mark Barrett  
Ronald Edghill  
John Heller  
Vivian Lawrence  
David Wright (Chair)

Charity number: 1131623

Company number: 05764810

Registered Office: 6 St John's Parade  
Alinora Crescent  
Goring-by-Sea  
Worthing  
West Sussex  
BN14 4HJ

Auditors: Haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

Bankers: Lloyds TSB Bank PLC  
41-43 South Street  
Worthing  
West Sussex  
BN11 3AU

Solicitors: Russell-Cooke  
2 Putney Hill  
Putney  
London  
SW15 6AB

Investment Advisers: Citigroup Quilter  
St Helen's  
1 Undershaft  
London  
EC3A 8BB

## **Trustees' Report**

The trustees present their report and accounts for the 15 months ended 31 December 2013.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association (last amended 28 February 2014), the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### **Structure, governance and management**

The charity is a company limited by guarantee.

The trustees who are also the directors for the purpose of company law, and who served during the year and as a result of post balance sheet event namely an Association agreement with Royal London Society for Blind People (RLSB) on 3 March 2014 were:-

Mark Barrett  
David Baxter (Honorary Treasurer)  
Paul Chennell  
Ronald Edghill  
John Heller (Chair from 1 June 2013 until 24 April 2014)  
Eileen Howard (Chair until 31 May 2013)  
Nigel Kippax  
Vivian Lawrence  
Angela Paradise  
Stuart Ritchie  
David Wright (Chair from 25 April 2014)

John Heller was appointed Chair on 1 June 2013 on the retirement of Eileen Howard on 31 May 2013. New Trustees Mark Barrett, Paul Chennell, Nigel Kippax and Angela Paradise were appointed on 7 August 2013. Angela Paradise resigned on 22 January 2014 and David Baxter, Paul Chennell, Nigel Kippax, and Stuart Ritchie resigned on 3 March 2014 with Ronald Edghill, Vivian Lawrence and David Wright appointed post Association on 4 March 2014.

Pre-Association with RLSB the Board of Trustees consisted of not fewer than three and no more than ten persons elected by members of the charity. The Trustees selected members of the Trustee Board and identified the need for new trustees after considering the composition and effectiveness of the present board.

Post Association RLSB became the Society's sole member and appointed the new Trustees, who are charged with the responsibility of directing the affairs of the Society. These Trustees were selected for their skills, knowledge of the Society and the sector in which it operates.

None of the trustees has any beneficial interest in the company.

The Trustees have overall responsibility for ensuring that:-

- The charity has an overall strategy and that this is compliant with its charitable objectives
- The charity is operated efficiently and effectively
- The charity's assets are safeguarded against unauthorised use or disposition
- Adequate accounting records are maintained
- The financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulation

Responsibility for planning and day-to-day management of operations is delegated to managers. During the year the Senior Management Team (SMT) was led by Chief Executive Caroline Armitage. The Chief Executive and SMT are subject to oversight by the Board at Board meetings and as otherwise required. During the period October 2012 to December 2013 there were 10 meetings of 3 sub-committees, the Finance and General, the Fundraising and Business Development and Governance committees. Post- Association with RLSB Eileen Harding has been appointed as Chief Executive from 4 March 2014.

Formal reporting to the Trustees by the Chief Executive takes place at board meetings through the year, held at least quarterly. In addition the Chair meets with the CEO at least monthly, and in addition meetings were held with the Treasurer in relation to both business planning and the annual audit.

As part of the annual reporting process, the Trustees have identified the major risks to which the charity is exposed. They have reviewed these and ensured that systems have been established to mitigate these risks. They have also approved internal control systems which are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. The areas included are:-

- a) An annual budget approved by the Trustees
- b) Financial reports considered by the Trustees on a regular basis
- c) Regular review of the delegation of authority and segregation of duties
- d) Regular review of key policies and procedures
- e) Business risk analysis including SWOT analysis

### **Objects and activities**

The charity's objects are to relieve persons who are blind or partially sighted and in charitable need. It does this by providing holidays to blind and partially sighted people in the Society's two hotels to break social isolation, financial support by way of small grants and providing the services of dedicated family support workers to visually impaired children and their families.

The Trustees have paid due regard to the public benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake.

## **Achievements and performance**

A merger with the Eyeless Trust, with which the Society had worked in close co-operation for some years, was completed in December 2012 which expanded the Society's service to children and their families. This continued to grow during 2013 with a total of 56 new referrals, totalling 400 children being served by the Society. New Family support workers were recruited to replace those that had left the organisation.

A new senior management team was installed to include a Director of Finance and Director of Fundraising. The latter was recruited to provide additional income to supplement the hotels which had become increasingly financially unsustainable. The Children and Families service also required Trust and other voluntary funding as this service is not currently supported through statutory funding.

The hotel services at both properties continued to welcome its guests but income continued to decline as competition continued with the increasing accessibility of mainstream hotels. The majority of guest bookings were through sales to groups. During the 15 months we welcomed a total of 2,402 guests at both hotels. The profile of guests was 80% vision impaired with 80%-90% over the age of 60. The remainder of the guests were children and families and accompanying sighted family members or carers.

During the period the Society introduced a new website to promote its brand and services and continued its programme of fundraising from trusts and grant giving bodies supporting the provision of holidays for the elderly and children and families at the hotels and the Society's Family Support Services. There was a significant improvement in net fundraising income over the previous 12 months with the benefit of some large sums of legacy income. Our store collections income stream generates a high ratio of our fundraising income and is totally reliant on a small group of volunteer fundraisers who are extremely successful in their work.

It was a difficult 15 months financially for the Society and a business risk analysis was conducted in August 2013 when it was decided that a merger option should be considered with another charity. As part of the analysis Trustees had considered the Society's strategic future and believed the need for ongoing specialist hotel services would wane and as its children and families services were growing there would be greater demand. A partner was sought who could support expansion of its services to children and families and RLSB was chosen to be a suitable partner after significant due diligence by both parties.

The Society wishes to thank all its donors and volunteers who supported its work with blind and vision-impaired people throughout this period.

### Annual Grants

Nine beneficiary grants were paid in-year.

## **Objectives for 2014**

The Society wishes to:-

- Identify a further merger partner to strengthen its ability to further its objects and an Association with RLSB was completed on 3 March 2014
- Increase the number of children and families it supports, especially since its merger with the Eyeless Trust
- Diversify its fundraising activities to prepare the organisation for future income growth
- Review the systems and processes within the Society to improve efficiency and effectiveness
- Review its property assets strategy to ensure that all assets are maximised to benefit blind and vision impaired people. As a result of a review of its activities and declining hotel income the decision was taken to put both the Belmont and the Bradbury Hotels up for sale.

## **Financial Review**

The results for the 15 month period ended 31<sup>st</sup> December 2013 are shown in the Statement of Financial Activities on page 8 and related notes.

Due to the reduction in gross income and increased expenditure, as in the previous financial year there is again a deficit, which this year is £27,115. Hotel income declined by circa 20% whilst net fundraising income increased by circa 80%, with the receipt of some large legacies.

The constraints on cash flow during the year meant that there was a need to realise the charity's investments reducing the portfolio from £44,741 as at 30 September 2012 to £0 as at 31 December 2013.

The Society's reserves policy is to hold the equivalent to six months' operating costs as unrestricted funds. This has not been achievable in this period but since the Association with RLSB in March 2014 the situation has now improved.

## **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

## **Auditors**

A resolution proposing that haysmacintyre be reappointed as auditors of the Society will be put to the sole member.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of Trustees

A handwritten signature in black ink, appearing to read 'DWR Wright', with a horizontal line underneath the name.

David Wright  
Chair

Dated: 26 June 2014

# **THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**YEAR ENDED 31 DECEMBER 2013**

## **TRUSTEES AND THEIR RESPONSIBILITIES**

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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

---

We have audited the financial statements of the Royal Blind Society for the United Kingdom for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7a, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 and the charitable company's incoming resources and application of resources, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

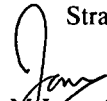
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.



M. Jessa (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

..... 26 June ..... 2014

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

	Notes	Unrestricted funds	Restricted funds	15 months to 31 December 2013	Year to 30 September 2012
<b><u>Incoming resources</u></b>					
Incoming resources from generated funds					
Voluntary income	2	553,541	130,439	683,980	388,264
Activities for generating funds		30,733	0	30,733	25,924
Investment income	3	111	0	111	1,204
		584,385	130,439	714,824	415,392
Incoming resources from charitable activities	4	886,849	0	886,849	843,351
<b>Total incoming resources</b>		<b>1,471,234</b>	<b>130,439</b>	<b>1,601,673</b>	<b>1,258,743</b>
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	5	128,388	0	128,388	157,775
<b>Charitable activities</b>					
Grant funding activity		22,189	0	22,189	62,167
Family support service		48,815	103,180	151,995	0
Hotel expenditure		1,177,279	17,907	1,195,186	1,080,169
<b>Total charitable expenditure</b>		<b>1,248,283</b>	<b>121,087</b>	<b>1,369,370</b>	<b>1,142,336</b>
Governance costs		131,030		131,030	105,293
<b>Total resources expended</b>		<b>1,507,701</b>	<b>121,087</b>	<b>1,628,788</b>	<b>1,405,404</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(36,467)</b>	<b>9,352</b>	<b>(27,115)</b>	<b>(146,661)</b>
Gross transfers between funds		13,510	(13,510)	0	0
<b>Net outgoing resources</b>		<b>(22,957)</b>	<b>(4,158)</b>	<b>(27,115)</b>	<b>(146,661)</b>
<b>Other recognised gains and losses</b>					
Gains on investment assets				0	6,049
<b>Net movement in funds</b>		<b>(22,957)</b>	<b>(4,158)</b>	<b>(27,115)</b>	<b>(140,612)</b>
Fund balances at 1 October 2012		772,398	51,333	823,731	964,343
Eyeless Trust Opening Balance		0	0	0	0
<b>Fund balances at 31st December 2013</b>		<b>749,441</b>	<b>47,175</b>	<b>796,616</b>	<b>823,731</b>

The statement of financial activities has been prepared on the basis that all activities are continuing. There are no recognised gains and losses other than those passing through the statement of financial activities.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

	2013	2012
	£	£
Gross income	1,601,673	1,258,743
Gain on disposal of investment assets held by income funds	<u>0</u>	<u>2,885</u>
Total income	1,601,673	1,261,628
Total expenditure from income funds	<u>1,628,788</u>	<u>1,405,404</u>
<b>Net expenditure for the year</b>	<u><b>(27,115)</b></u>	<u><b>(143,776)</b></u>

The summary income and expenditure account is derived from the statement of the financial activities on page 8 which, together with the notes on pages 11-26, provides full information on the movements during the year on all funds of the charity.

~~0576~~  
05764810

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

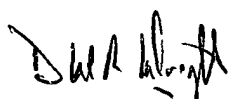
## BALANCE SHEET

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

	Notes	As at 31 December 2013		As at 30 September 2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		1,235,961		1,263,291
Investments	10		<u>0</u>		<u>44,741</u>
			1,235,961		1,308,032
<b>Current assets</b>					
Stocks			5,717		5,717
Debtors	11		81,071		42,883
Cash at bank and in hand			<u>29,094</u>		<u>8,359</u>
			115,882		56,959
<b>Creditors: amounts falling due within one year</b>	12		<u>(555,227)</u>		<u>(371,072)</u>
<b>Net current liabilities</b>			<u>(439,345)</u>		<u>(314,113)</u>
<b>Total assets less current liabilities</b>			796,616		993,919
<b>Creditors: amounts falling due after more than one year</b>	13		<u>0</u>		<u>(170,188)</u>
<b>Net assets</b>			<u><u>796,616</u></u>		<u><u>823,731</u></u>
<b>Income funds</b>					
Restricted funds	15		47,175		51,333
Unrestricted funds			749,441		770,243
Tfr Eyeless Trust			0		0
Revaluation reserve			<u>0</u>		<u>2,155</u>
			<u>749,441</u>		<u>772,398</u>
			<u><u>796,616</u></u>		<u><u>823,731</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The accounts were approved and authorised for issue by the Board on 26 June 2014



David Wright  
Trustee



John Heller  
Trustee

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### Going concern

The trustees have assessed the ability of the charity to continue as a going concern having taken account of the expected future cashflows of the charity.

The charity renewed its bank facilities on the last renewal date and the trustees expect to again renew the charity's bank facilities at the date of their next renewal.

Based on the above the trustees believe that it is appropriate to prepare the financial statements on the going concern basis and the charity will be able to meet its financial obligations as they fall due.

#### 1.2 Incoming resources

Incoming resources from charitable activities being accommodation and guest income represents amounts receivable in respect of care and accommodation provided to the blind and partially sighted after adjusting for amounts received in advance, as stated at note 12.

Income from donations and grants is accounted for on a receivable basis, to the extent that such receipts can be reliably or legally established and quantified with reasonable certainty, and donors do not specify that the funds are to be used in future accounting periods or impose conditions to be fulfilled before their use. When donors specify that funds are for particular restricted purposes not amounting to pre-conditions before use, income is included incoming resources of restricted funds, and retained in restricted funds until the specified purpose has been met. Transfers between funds relate to those restricted funds expended on capital items under the conditions of the donation received.

Legacies receivable are included in the accounts when they satisfy the following criteria:

Entitlement - actual receipt or legally enforceable right to receipt

Certainty - reasonable certainty of receipt

Measurement - the monetary value can be measured with sufficient reliability

Gifts in kinds are valued at market value and included in donations. Investment income is accounted for on a receivable basis.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 1 Accounting policies (continued)

#### 1.3 Resources expended

Costs are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All costs are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whilst all others are apportioned on an appropriate basis.

Costs of generating voluntary income includes general publicity and fundraising events, including both directly attributable costs and estimated proportions of staff and other costs, investment management and similar fees.

Grant funding activity represents direct payments to individuals and are charged when authorised, unless conditional.

Hotel expenditure includes all costs attributable to the day-to-day running and maintenance of the accommodation and general care provided to the blind and partially sighted.

Governance costs include amounts incurred to support income generation and governance together with cost of general management including supervision, finance, training, human resources and IT and are allocated as detailed below.

Management and administration staff costs are allocated based on the estimated staff time spent on each specific activity.

Head office premises and other office costs are allocated based on the level of support given to each of the charity's activities.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings - 2% straight line basis

Leasehold property - Building element only 1% straight line, short leasehold over lease term (10 years)

Fixtures, fittings & equip - 15% straight line basis

Motor vehicles - 25% reducing balance basis

Assets costing less than £1,000 are not capitalised.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### **1 Accounting policies (continued)**

#### **1.5 Leasing and other hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### **1.6 Investments**

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Recognised gains and losses are stated at the difference between the disposal proceeds and the cost. The Trustees consider that this gives a clearer reflection of investment performance than the policy based on carrying value prescribed by Financial Reporting Standard 3 "Reporting Financial Performance". Unrealised gains and losses represent the movements in market values.

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value on an average cost basis.

#### **1.8 Pensions**

The charity operates a stakeholder pension scheme for its employees, the assets of which are held separately from those of the charity. The pensions cost charge for the year in relation to this scheme is the amount of contributions payable on a defined contribution basis.

The charity participates in the Scottish Voluntary Sector Pension Scheme administered by the Pensions Trust, a multi-employer defined benefit scheme that is funded and contracted out of the state pension scheme. It is not possible in the normal course of events to identify the share of the underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the pension charge recorded in these accounts is the amount of contributions payable on a defined contributions basis, as required by Financial Reporting Standard 17. Further details of the Scheme can be found at note 14

#### **1.9 Accumulated funds**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

#### **1.10 Taxation**

The charity is exempt from taxation on its income and capital gains applied for charitable purposes.

#### **1.11 Cash Flow Statement**

The Trustees have taken advantage of the exemptions available in Financial Reporting Standard No. 1 not to prepare a cash flow statement.

**THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE 15 MONTHS ENDED 31 DECEMBER 2013**

**2 Voluntary Income**

	Unrestricted funds	Restricted funds	15 months to 31st December 2013	12 months to 30 September 2012
Donations and gifts	553,541	120,267	673,808	378,266
Grants receivable for core activities	0	0	0	9,998
	<u>553,541</u>	<u>120,267</u>	<u>673,808</u>	<u>388,264</u>
<b>Donations and gifts</b>				
Unrestricted funds:				
Donations from Blindcare			11,000	4,000
Legacies			231,245	88,761
Other fundraising income and donations			<u>311,296</u>	<u>222,976</u>
			<u>553,541</u>	<u>315,737</u>

**3 Investment Income**

Income from listed investments	63	1,201
Interest receivable	48	3
	<u>111</u>	<u>1,204</u>

**4 Incoming resources from charitable activities**

Accommodation and guest income	<u>886,849</u>	<u>843,351</u>
--------------------------------	----------------	----------------



# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

5	Total resources expended	Staff Costs	Depreciation	Other Costs	Grant Funding	15 months to 31st December 2013	12 months to 30 September 2012
	<b>Costs of generating funds</b>						
	Costs of generating voluntary income	82,539	653	45,195	0	128,388	157,775
	<b>Charitable activities</b>						
	<u>Grant funding activity</u>						
	Grant funding of activities	0	0	0	3,234	3,234	37,594
	Support Costs	9,991	0	8,964	0	18,955	24,573
	Total	9,991	0	8,964	3,234	22,189	62,167
	<u>Families Support Service</u>						
	Activities undertaken directly	72,051	0	28,812	6,126	106,989	0
	Support costs	26,061	0	18,945	0	45,006	0
		98,112	0	47,757	6,126	151,995	0
	<u>Hotel Expenditure</u>						
	Activities undertaken directly	585,260	34,154	455,979	0	1,075,393	932,734
	Support costs	62,946	0	56,847	0	119,793	147,435
		648,206	34,154	512,826	0	1,195,186	1,080,169
		756,309	34,154	569,546	9,360	1,369,370	1,142,336
	Governance Costs	26,977	8,723	95,330		131,030	105,293
		865,825	43,531	710,072	9,360	1,628,788	1,405,404

Governance costs includes £20,174 of audit fees and £14,801 of legal and professional fees.

6	Grants Payable	Grants to Institutions	Grants to Individuals	Total 2013	Total 2012
	Grant funding activity	0	9,360	9,360	37,594

**THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE 15 MONTHS ENDED 31 DECEMBER 2013**

**7 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year but two (2012 - £757) received reimbursed expenses totalling £431.21 (2012 - £757) for travel and subsistence. Trustees insurance was paid totalling £1,996 (2012 -£700)

**8 Employees**

**Number of employees**

2013	2012
Number	Number

The average monthly number of employees during the year was:

Fundraising and development	1	3
Hotel management and support staff	42	42
Management and administration	2	2
	<u>45</u>	<u>47</u>

15 months to 31st December 2013	12 months to 30 September 2012
--	---

**Employment costs**

Wages and salaries	708,835	628,807
Social security costs	42,815	43,813
Other pension costs	10,422	29,938
Other temporary and self employed staff costs	103,753	0
	<u>865,825</u>	<u>702,558</u>

The above relates to actual staff numbers and not full time equivalents

The number of employees whose annual remuneration was £60,000 or more were:

Management and administration (£60,000-£69,999)	<u>0</u>	<u>1</u>
---	----------	----------

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

9	Tangible fixed assets	Freehold land and buildings	Leasehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	<b>Cost</b>					
	At 1 October 2012	874,801	353,331	97,063	13,488	1,338,683
	Additions			16,201		16,201
	<b>At 31 December 2013</b>	<b>874,801</b>	<b>353,331</b>	<b>113,264</b>	<b>13,488</b>	<b>1,354,884</b>
	<b>Depreciation</b>					
	At 1 October 2012	17,479	12,402	37,715	7,796	75,392
	Charge for period	14,370	6,145	21,237	1,779	43,531
	<b>At 31 December 2013</b>	<b>31,849</b>	<b>18,547</b>	<b>58,952</b>	<b>9,575</b>	<b>118,923</b>
	<b>Net book value</b>					
	<b>At 31 December 2013</b>	<b>842,952</b>	<b>334,784</b>	<b>54,312</b>	<b>3,913</b>	<b>1,235,961</b>
	At 30 September 2012	857,322	340,929	59,348	5,692	1,263,291

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 10 Fixed asset investments

	UK equities	UK fixed interest	Foreign equities	Cash deposits	Total
Market value at 1 October 2012	25,482	4,405	13,925	929	44,741
Disposals at opening book value	(25,482)	(4,405)	(13,925)	(541)	(44,353)
Change in value in the year				(388)	(388)
Market value at 31st December 2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

All investments have been disposed of during the period ended 31 December 2013.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

	31 December 2013	30 September 2012
	£	£
<b>11 Debtors</b>		
Income tax repayment due	0	9,025
Amounts owed by connected undertakings	0	6,929
Other debtors	1,070	7,640
Legacy debtors notified but not yet received	80,000	0
Interest and dividends receivable	0	184
Prepayments and accrued income	0	19,105
	<u>81,071</u>	<u>42,883</u>

	31 December 2013	30 September 2012
	£	£
<b>12 Creditors : amounts falling due within one year</b>		
Bank loans	167,391	10,976
Bank overdrafts	244,783	145,353
Trade creditors	61,285	89,040
Taxes and social security	11,432	9,381
Guest income paid in advance	31,992	90,678
Other creditors	6,289	4,515
Grants payable		0
Accruals	32,055	21,129
	<u>555,227</u>	<u>371,072</u>

The bank overdrafts and the loan facility are secured by a legal charge over certain assets of the charitable company.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

13	Creditors : amounts falling due after more than one year	2013	2012
		£	£
	Bank loans	<u>0</u>	<u>170,188</u>
	<b>Analysis of loans</b>		
	Not wholly repayable within five years by instalments:		
	Bank loans	<u>167,391</u>	181,164
	Included in current liabilities	<u>(167,391)</u>	<u>(10,976)</u>
		<u>0</u>	<u>170,188</u>
	<b>Loan maturity analysis</b>		
	Debt due in one year or less	0	10,289
	In more than one year but not more than two years	0	10,975
	In more than two years but not more than five years	0	36,708
	In more than five years	<u>0</u>	<u>133,481</u>
		<u>0</u>	<u>191,453</u>

The loan was repaid on 3 March 2014 and was replaced by loan of £500,000 from RLSB which is secured by a legal charge over both the freehold property and the leasehold property.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 14 Pension and other post-retirement benefit commitments

The charity operates a defined benefit pension scheme providing benefits based on final pensionable earnings and a stakeholder scheme for its employees. The employer contributions payable to the schemes for the period totalled £13,739 and £5,861 respectively. Employer contributions payable to the schemes were 15.2% and up to 10% (dependent on the rate of employee contribution) respectively during the year. There were 2 and 10 members of staff in the schemes respectively as at 31st December 2013.

*The following disclosures relate to the defined benefit pension scheme, no such disclosures are required for the stakeholder scheme as this is defined contribution only.*

*The Royal Blind Society for the United Kingdom participates in the Scottish Voluntary Sector Pension Scheme (the Scheme). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted-out of the state scheme until 31 March 2010, when the Scheme was closed to future accrual.*

*The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60th accrual rate and a final salary with an 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.*

*The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.*

*The Trustee of the scheme commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.*

*The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.*

*It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.*

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 14 Pension and other post-retirement benefit commitments (continued)

The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% pa
- Investment return pre retirement	5.8
- Investment return post retirement	4.0
- Rate of salary increases	4.4
- Rate of pension increases:	
for pensionable service pre 6 April 2005	2.4
for pensionable service post 5 April 2005	1.9
- Rate of price inflation	2.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Under the recovery plan The Royal Blind Society for the United Kingdom is required to make lump sum payments of £10,657 pa., increasing annually in line with the salary assumption used in the valuation.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall by March 2028.

A copy of the recovery plan must be sent to the Pensions Regulator after each valuation is finalised. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

The recovery plan from the 2011 valuation has been submitted to the Pensions Regulator and a response is awaited.



# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

---

### 14 Pension and other post-retirement benefit commitments (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer becoming insolvent or ceasing to participate in the Scheme, or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Royal Blind Society for the United Kingdom has been notified by the Pension Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2013. As on this date the estimated employer debt for The Royal Blind Society for the United Kingdom was £582,349.

On 1 October 2009 The Royal Blind Society for the United Kingdom, and unincorporated charity incorporated to become the Royal Blind Society for the United Kingdom, a company limited by guarantee. Following the incorporation the employees of the unincorporated charity transferred to the newly incorporated charity. This transfer of employees constituted an "Employment-Cessation Event" as defined by the regulations and as a result an employer debt is potentially due from the unincorporated charity. However a Deed of Apportionment was entered into with The Pensions Trust Trustee "Verity Trustees Limited" in which the Trustees exercised its discretion under rule 1.4.3 of the Common Rules of the Trust Deed and Rules to determine an amount of £1 as the unincorporated charity's share of the Scheme's deficit. In consideration for the discretion the Trustee of the Scheme and the incorporated charity have agreed that for the purposes of calculating the share of debt due in the future from the incorporated charity reference will be made to the liabilities that would have been attributable to the unincorporated charity. The incorporated charity recognises that this will include any "orphaned liabilities" within the scheme.

# THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE 15 MONTHS ENDED 31 DECEMBER 2013

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 31 December 2013
	Balance at 1 October 2012	Incoming resources	Resources expended	
Young people's ICT grants	37,003			37,003
General grants	8,590			0
National lottery	820		(820)	0
General fund	4,920	17,087	(17,087)	0
Family support service	0	113,352	(103,180)	10,172
	<u>51,333</u>	<u>130,439</u>	<u>(121,087)</u>	<u>47,175</u>

The young peoples ICT grants initiative is a programme providing IT equipment, reading and literacy aids to young blind and partially sighted people, providing them with alternative methods of accessing text and recording work; this will transform their educational prospects.

General grants relate to those provided to blind and partially sighted people on low incomes for a wide range of purposes. In the light of the discounts and grants given to visually impaired hotel guests over recent years that enabled those of limited means to enjoy a break and respite at the Society's hotels the Trustees recognised that the balance of these restricted funds brought forward had been applied in accordance with their restrictions and accordingly the amounts should be transferred to unrestricted funds.

The National Lottery Grant was a grant towards the provision of improved computer facilities and was repaid during the period.

The general fund relates to income received towards the general running costs at the charity's hotels in Llandudno and West Sussex and the head office.

The Family support service relates to income received towards the general running costs of the family support service.

**THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE 15 MONTHS ENDED 31 DECEMBER 2013**

**16 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31st December 2013 are represented by:			
Tangible fixed assets	1,235,960	0	1,235,960
Investments	0	0	0
Current assets	68,707	47,175	115,882
Creditors: amounts falling due within one year	(555,227)	0	(555,227)
Creditors: amounts falling due after more than one year	0	0	0
	<u>749,440</u>	<u>47,175</u>	<u>796,615</u>

**17 Commitments under operating leases**

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within one year	0	0	0	0
Between two and five years	0	0	3,693	4,857
		<u>0</u>	<u>3,693</u>	<u>4,857</u>

**THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE 15 MONTHS ENDED 31 DECEMBER 2013**

---

**19 Related parties**

On 31 December 2012 The Royal Blind Society for the United Kingdom merged with the Eyeless Trust.

**20 Post balance sheet events**

On 3rd March 2014 The Royal Blind Society for the United Kingdom entered into an association with The Royal London Society for Blind People (RLSB).