

**KYEKUS LIMITED**  
**(formerly The Royal Society For Blind Children)**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

Charity number: 1131623  
Company number: 05764810



## **KYEKUS LIMITED**

(Formerly The Royal Society for Blind Children)

### **REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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Trustees: Mark Barrett (Resigned 31 December 2016)  
Michael Bignall (Appointed 1 January 2017)  
Ronald Edghill (Resigned 31 December 2016)  
John Heller  
Vivian Lawrence (Resigned 31 December 2016)  
Valerie May (Appointed 1 January 2017)  
Ian Stephenson (Appointed 1 January 2017)  
David Wright (Resigned 31 December 2016)

Charity number: 1131623 (England and Wales)

Company number: 05764810 (England and Wales)

Registered Office: 52-58 Arcola Street  
London  
E8 2DJ

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

# **KYEKUS LIMITED**

(formerly The Royal Society for Blind Children)

## **TRUSTEE'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **Trustees' Report**

The trustees present their report and accounts for the year ended 31 December 2016.

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, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Transfer of Activities and Net Assets**

On 31 December 2016, the Royal Society for Blind Children ("old RSBC") transferred its assets and activities to the Royal London Society for Blind People (RLSB). Following the transfer and on 1 January 2017, RLSB took on the name "Royal Society for Blind Children" ("new RSBC"). Since no two charities can bear the same name, the old RSBC took the name Kyekus Limited as at that date. Kyekus Limited ceased operations on 31 December 2016 although a shell charitable company continues to exist.

### **Change of Name and Objects**

On 24 February 2016, and with the approval of our Patron, Her Majesty the Queen and the Charity Commission, the charity changed its name from The Royal Blind Society for the United Kingdom to Royal Society for Blind Children (RSBC) and the objects have been amended to more appropriately reflect the work of the charity. On 1 January 2017, the charitable company changed its name to Kyekus Limited.

The Objects for which Kyekus Limited is established are to promote the health, equality and independence of blind and partially sighted people (and especially, but not exclusively, children and young people) by:

- advancing the education and training of children, young people and other people who are blind or partially sighted;
- providing such assistance as children, young people and other people who are blind or partially sighted may require to lead independent lives to obtain employment or otherwise to meet their needs;
- providing family support services, advice and information for families of children who are blind or partially sighted for the benefit of such children;
- providing such services, facilities and activities for the benefit of blind and partially sighted children, young people and other people as the Society shall from time to time deem

### **Public Benefit**

The Trustees have paid due regard to the public benefit guidance issued by the Charity Commission in deciding what activities the charity should undertake. The Objects and Achievements and Performance sections of this report show how this is being fulfilled.

### **Achievements and Performance**

Over the year a total of 112 new referrals were received with a total of 271 families receiving some level of active support from our Family Support Workers (FSWs) as part of the charity's Family Support Service. The level of support ranged from phone calls to check that all was well with the family through to face to face support while a particular issue was being resolved. Many of the new referrals were sourced from the charity's continuing promotion events for key professionals which took place across England and Wales during the year. As a result of these events more professionals are aware of the charity.

The charity's Bradbury Hotel in East Preston was sold on 15 April 2016, after receiving a large number of bids. The sale of the two hotels will provide valuable funds to continue growing the reach of the Family Support Service and support increased numbers of blind and partially sighted children, young people and their families across the country and also to develop the charity's fundraising income base.

The principal sources of fundraising for the charity remain the store collections, legacies, individual giving and grant income from trusts and foundations. 2016 translated developments in 2015 to new fundraising income streams, including community and corporate fundraising. The closure of the Bradbury Hotel has enabled the Society to further reduce its cost base significantly allowing it to move to a more financially sustainable model.

In Marketing, 2016 has been a year of consolidating our digital infrastructure and increasing our community engagement. This resulted in 2,436 new visitors to [www.rsbc.org.uk](http://www.rsbc.org.uk) and 396 returning visitors, who on average spent 2.5 minutes on the website across 2.5 pages. Over 500 people visited the service information pages in this period, and 871 visited the "Climb Ben Nevis" fundraising event page.

# KYEKUS LIMITED

(formerly The Royal Society for Blind Children)

## TRUSTEE'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The Association with RSBC continued to provide additional vision impairment expertise to develop further the charity's services and has resulted in developing a leaner and more effective organisational structure, in preparation for the transfer. There were 4 employees in the Society during 2016 and with 1 leaving before the transfer, it left 3 employees to TUPE over as a result of the transfer.

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

#### Annual Grants

One beneficiary grant was paid in-year.

#### **Financial Review**

The results for the year ended 31 December 2016 are shown in the Statement of Financial Activities and in related notes.

Income in the year was £409,790 (2015: £395,126) and expenditure was £471,813 (2015: £451,562). Further, on 31 December 2016, a donation of £505,790 was made representing the transfer of the charity's total net assets to its parent undertaking – The Royal Society for Blind Children. Although total income was comparable between the years, 2016 included gains from the disposal of property of £136,691. Income from donations and legacies was £273,099 (2015: £378,038); the reduction when compared with the previous year, a result of time lag of plans being put into place for a fundraising drive. This is reflected in the increase in costs of raising funds to £136,850 (2015: £76,698). It is expected that the investment in fundraising will provide substantial financial benefits to the combined organisation.

Expenditure (other than the net assets donated on transfer) rose from £451,562 to £471,813 reflecting the increase in costs of raising funds. However, the rise in fundraising costs was offset by reduction in property costs and refunds of rates following the sale of the Bradbury Hotel during the year.

#### **Reserves Policy**

The Society's reserves policy is to hold the equivalent to six months' operating costs which equates to approximately £200,000 in free reserves (unrestricted funds not tied into fixed assets). At the year end, the charity had free reserves of £468,587. It is estimated that it would take six months to reorganise activities should there be unexpected changes in funding streams or in activities undertaken. The sale of the Bradbury Hotel has assisted in building free reserves towards this target. However, the transfer of the charity's net assets on 31 December 2016 now makes this policy redundant.

Restricted funds of £37,203 and unrestricted funds of £468,587 were transferred to the parent undertaking, The Royal Society for Blind Children on 31 December 2016.

#### **Future Plans - Objectives for 2017**

There are no objectives for 2017 for Kyekus Limited as it is now a shell charitable company established as a result of the transfer of its activities and net assets to The Royal London Society for Blind People, which has adopted the name of Royal Society for Blind Children from 1 January 2017.

#### **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 to the date of signing the financial statements were:-

Mark Barrett (Resigned 31 December 2016)  
Michael Bignall (Appointed 1 January 2017)  
Ronald Edghill (Resigned 31 December 2016)  
John Heller  
Vivian Lawrence (Resigned 31 December 2016)  
Valerie May (Appointed 1 January 2017)  
Ian Stephenson (Appointed 1 January 2017)  
David Wright (Resigned 31 December 2016)

None of the trustees has any beneficial interest in the charitable 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;

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(formerly The Royal Society for Blind Children)

### TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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- The financial information used within the charity or for publication is reliable; and
- The charity complies with relevant laws and regulation.

New trustees are recruited following a skills audit and incumbent trustees making recommendations to the Board. All recommended persons must be unanimously accepted by the Board and formally proposed at the AGM for ratification.

During the year, the charity was led by Chief Executive, Eileen Harding. The Chief Executive is subject to oversight by the Trustees at Board meetings and as otherwise required. Responsibility for planning and day-to-day management of operations and central support is delivered through its partner charity by Association, Royal Society for Blind Children (RSBC) through a Service Level Agreement agreed on an annual basis by the Board.

Formal reporting to the Trustees by the Chief Executive takes place at Board meetings through the year, held at least quarterly.

#### **Risk Management**

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) Monthly management accounts reviewed by Trustees
- c) Financial reports considered by the Trustees on a regular basis at each Board meeting
- d) Regular review of the delegation of authority and segregation of duties
- e) Regular review of key policies and procedures
- f) Business risk analysis including SWOT analysis

#### **Statement of Trustees' Responsibilities**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

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

On behalf of the board of Trustees

.....  
Ian Stephenson  
Trustee

18<sup>th</sup> May 2017

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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We have audited the financial statements of Kyekus Limited for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 in the Trustees' Report, 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 2016 and of the charitable company's net movement in funds, 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

**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.



Anna Bennett (Senior statutory auditor)  
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

18 May 2017

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

**KYEKUS LIMITED**

(formerly The Royal Society for Blind Children)

**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 DECEMBER 2016**

|  | Notes | Unrestricted funds | Restricted funds | 2016<br>£        | 2015<br>£       |
|--|-------|--------------------|------------------|------------------|-----------------|
| <b><u>Income and Endowments from:</u></b>        |       |                    |                  |                  |                 |
| Donations and legacies                           | 2     | 209,859            | 63,240           | 273,099          | 378,038         |
| Investment income                                | 3     | -                  | -                | -                | -               |
|  |       | 209,859            | 63,240           | 273,099          | 378,038         |
| Other  | 4     | 136,691            | -                | 136,691          | 17,088          |
| <b>Total income</b>                              |       | <b>346,550</b>     | <b>63,240</b>    | <b>409,790</b>   | <b>395,126</b>  |
| <b><u>Expenditure on:</u></b>                    |       |                    |                  |                  |                 |
| <b>Raising funds</b>                             | 5     | 136,850            | -                | 136,850          | 76,698          |
| <b>Charitable activities:</b>                    |       |                    |                  |                  |                 |
| Grant funding activity                           |       | -                  | -                | -                | 1,500           |
| Family support service                           |       | 271,423            | 63,540           | 334,963          | 353,146         |
| Hotel expenditure - Discontinued operations      |       | -                  | -                | -                | 20,218          |
| <b>Total charitable expenditure</b>              | 5     | <b>271,423</b>     | <b>63,540</b>    | <b>334,963</b>   | <b>374,864</b>  |
| <b>Other expenditure:</b>                        |       |                    |                  |                  |                 |
| Donation of net assets to parent undertaking     | 6, 17 | 468,587            | 37,203           | 505,790          | -               |
| <b>Total Expenditure</b>                         |       | <b>876,860</b>     | <b>100,743</b>   | <b>977,603</b>   | <b>451,562</b>  |
| <b>Net (expenditure)/income before transfers</b> |       | <b>(530,310)</b>   | <b>(37,503)</b>  | <b>(567,813)</b> | <b>(56,436)</b> |
| Gross transfers between funds                    | 14    | -                  | -                | -                | -               |
| <b>Net movement in funds</b>                     |       | <b>(530,310)</b>   | <b>(37,503)</b>  | <b>(567,813)</b> | <b>(56,436)</b> |
| <b>Reconciliation of funds:</b>                  |       |                    |                  |                  |                 |
| Fund balances at 1 January 2016                  |       | 530,310            | 37,503           | 567,813          | 624,249         |
| <b>Fund balances at 31st December 2016</b>       |       | <b>-</b>           | <b>-</b>         | <b>-</b>         | <b>567,813</b>  |

The statement of financial activities has been prepared on the basis that all activities are continuing, other than those indicated.

There are no recognized gains and losses other than those passing through the statement of financial activities.

The accompanying notes form part of these financial statements.

Full comparative figures for the year ended 31 December 2015 are shown in Note 19.

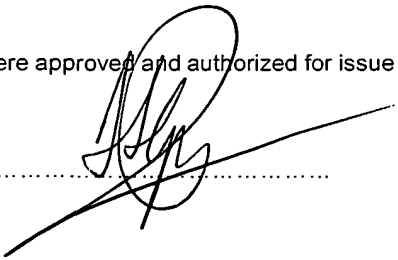
**BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

|  | Notes | 2016     |          | 2015             |                |
|--|-------|----------|----------|------------------|----------------|
|  |       | £        | £        | £                | £              |
| <b>Fixed assets</b>  |       |          |          |                  |                |
| Tangible assets  | 9     |          | -        |                  | -              |
| Tangible assets - Assets held for sale                         | 9     |          | -        |                  | <u>818,534</u> |
|  |       |          | -        |                  | 818,534        |
| <b>Current assets</b>  |       |          |          |                  |                |
| Debtors  | 10    | -        |          | 36,128           |                |
| Cash at bank and in hand                                       |       | <u>-</u> |          | <u>190,650</u>   |                |
|  |       |          |          | 226,778          |                |
| <b>Creditors: amounts falling due within one year</b>          | 11    | <u>-</u> |          | <u>(477,499)</u> |                |
| <b>Net current liabilities</b>                                 |       |          |          | <u>(250,721)</u> |                |
| <b>Total assets less current liabilities</b>                   |       |          | -        |                  | 567,813        |
| <b>Creditors: amounts falling due after more than one year</b> | 12    |          | <u>-</u> |                  | <u>-</u>       |
| <b>Net assets</b>  |       |          | -        |                  | <u>567,813</u> |
| <b>Income funds</b>  |       |          |          |                  |                |
| Restricted funds   | 14    |          | -        |                  | 37,503         |
| Unrestricted funds   |       | <u>-</u> |          | <u>530,310</u>   |                |
|  |       |          | =        |                  | <u>530,310</u> |
| <b>Total charity funds</b>                                     |       |          | =        |                  | <u>567,813</u> |

The accounts were approved and authorized for issue by the Board on 18<sup>th</sup> May 2017 and signed on their behalf by:

.....  
 Ian Stephenson  
 Trustee



The accompanying notes form part of these financial statements.



**KYEKUS LIMITED**

(formerly The Royal Society for Blind Children)

**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2016**

|  | Note | 2016             | 2015             |
|--|------|------------------|------------------|
| <b>Net cash provided by (used in) operating activities</b>                                       | a    | <u>(845,875)</u> | <u>(85,848)</u>  |
| <b>Cash flows from investing activities:</b>   |      |                  |                  |
| Dividends, interest and rent from investments  |      | -                | -                |
| Purchase of Tangible Fixed Assets  |      | -                | -                |
| Proceeds from sales of Tangible Fixed Assets   |      | 955,225          | 360,432          |
| <b>Net cash provided by (used in) investing activities</b>                                       |      | <u>955,225</u>   | <u>360,432</u>   |
| <b>Cash flows from financing activities:</b>   |      |                  |                  |
| Repayment of borrowing   |      | (300,000)        | (200,000)        |
| Cash inflows from new borrowing  |      | -                | -                |
| <b>Net cash provided by (used in) financing activities</b>                                       |      | <u>(300,000)</u> | <u>(200,000)</u> |
| <b>Change in cash in the reporting period</b>  |      | <u>(190,650)</u> | <u>74,584</u>    |
| <b>Cash and cash equivalents at the beginning of the period</b>                                  |      | 190,650          | 116,066          |
| <b>Cash and cash equivalents at the end of the period</b>  | b    | <u>-</u>         | <u>190,650</u>   |
| <b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>     |      |                  |                  |
|  |      | <b>2016</b>      | <b>2015</b>      |
| <b>a</b>   |      |                  |                  |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) |      | (567,813)        | (56,436)         |
| <b>Adjustments for:</b>  |      |                  |                  |
| Investment income  |      | -                | -                |
| Depreciation charges   |      | -                | 11,499           |
| Profit on disposal of fixed assets   |      | (136,691)        | (14,217)         |
| (Increase)/decrease in Debtors   |      | 36,128           | (35,816)         |
| Increase/(decrease) in Creditors   |      | (177,499)        | 9,122            |
| <b>Net cash provided by (used in) operating activities</b>                                       |      | <u>(845,875)</u> | <u>(85,848)</u>  |
| <b>b Analysis of cash and cash equivalents</b>   |      |                  |                  |
|  |      | <b>2016</b>      | <b>2015</b>      |
|  |      | <b>£000</b>      | <b>£000</b>      |
| Cash in hand   |      | -                | 190,650          |
| Notice deposits  |      | -                | -                |
| Overdraft facility repayable on demand   |      | -                | -                |
|  |      | <u>-</u>         | <u>190,650</u>   |

The accompanying notes form part of these financial statements.

# KYEKUS LIMITED

(formerly The Royal Society For Blind Children)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting Policies

#### 1.1 Statement of Compliance

The accounts have been prepared under the historical cost convention.

The financial statements of the have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value, and are in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - Charities SORP FRS 102 and the Companies Act 2006. The charity is a public benefit entity as defined by FRS 102.

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 5764810) and a charity registered in England and Wales (charity number: 1131623). The Charity's registered office address is: 52 – 58 Arcola Street London E8 2DJ.

#### Going concern

The trustees have assessed the ability of the charity to continue as a going concern having taken into account the expected future cash flows of the charity. As a result of the transfer of its activities and net assets on 31 December 2016, the charity has no plans to trade other than to ensure any future financial benefits that may accrue to the charity can be properly transferred to the combined entity. The review of the charity's activities, financial position, reserves and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

#### 1.2 Income

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 in incoming resources as 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 or where monies expended for a specific project exceed the amounts actually received 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;

Probability - probable certainty of receipt; and

Measurement - the monetary value can be measured with sufficient reliability.

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

#### 1.3 Expenditure

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.

Expenditure on raising funds 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 authorized, 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.

# KYEKUS LIMITED

(formerly The Royal Society For Blind Children)

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (continued)

#### 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

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

#### 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 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-employee 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 102. Further details of the Scheme can be found at note 13.

#### 1.7 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.

#### 1.8 Taxation

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

#### 1.9 Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The Trustees do not consider that there are any key sources of material estimation uncertainty in the preparation of these financial statements.

#### 1.10 Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

##### *Debtors and creditors*

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

#### 1.11 Employee benefits

##### *Short term benefits*

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

##### *Employee termination benefits*

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

**KYEKUS LIMITED**

(formerly The Royal Society For Blind Children)

**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016****2 Donations and Legacies**

|                                       | <b>Unrestricted<br/>funds</b> | <b>Restricted<br/>funds</b> | <b>2016<br/>£</b> | <b>2015<br/>£</b> |
|---------------------------------------|-------------------------------|-----------------------------|-------------------|-------------------|
| Donations and gifts                   | 156,237                       | 63,240                      | 219,477           | 378,038           |
| Grants receivable for core activities | 53,622                        | -                           | 53,622            | -                 |
|                                       | <u>209,859</u>                | <u>63,240</u>               | <u>273,099</u>    | <u>378,038</u>    |

**Donations and gifts (Unrestricted)**

Unrestricted funds:

Donations from Blindcare

Legacies

Other fundraising income and donations

|  | <b>£</b>       | <b>£</b>       |
|--|----------------|----------------|
| Donations from Blindcare               | 8,500          | 5,000          |
| Legacies                               | 45,274         | 109,985        |
| Other fundraising income and donations | 102,463        | 262,553        |
|  | <u>156,237</u> | <u>377,538</u> |

**3 Investment Income****2016****2015**

£

£

Interest receivable

--**4 Other Income****2016****2015**

£

£

Gain on disposal of fixed asset

136,691-

The gain on disposal of fixed assets arose from the sale of the Bradbury Hotel in 2016.

**KYEKUS LIMITED**

(formerly The Royal Society For Blind Children)

**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016**

| 5 Expenditure  | Staff<br>Costs | Depreciation | Other Costs | Grant<br>Funding | 2016    | 2015    |
|--|----------------|--------------|-------------|------------------|---------|---------|
| <b>Expenditure on raising funds</b>                  |                |              |             |                  |         |         |
| Fundraising activities                               | 70,528         | -            | 41,264      | -                | 111,792 | 40,432  |
| Support Costs  | 16,133         | -            | 1,402       | -                | 17,535  | 36,266  |
| Governance Costs                                     | 2,100          | -            | 5,423       | -                | 7,523   | -       |
|  | 88,761         | -            | 48,089      | -                | 136,850 | 76,698  |
| <b>Expenditure on charitable activities:</b>         |                |              |             |                  |         |         |
| <u>Grant funding activity</u>                        |                |              |             |                  |         |         |
| Grant funding of activities (note 6)                 | -              | -            | -           | -                | -       | 1,500   |
| Support Costs  | -              | -            | -           | -                | -       | -       |
| Total  | -              | -            | -           | -                | -       | 1,500   |
| <u>Families Support Service</u>                      |                |              |             |                  |         |         |
| Activities undertaken directly                       | 112,296        | -            | 174,230     | -                | 286,526 | 243,686 |
| Support costs  | 37,643         | -            | 3,271       | -                | 40,914  | 94,292  |
| Governance Costs                                     | 2,100          | -            | 5,423       | -                | 7,523   | 15,168  |
|  | 152,039        | -            | 182,924     | -                | 334,963 | 353,146 |
| <u>Hotel Expenditure</u>                             |                |              |             |                  |         |         |
| Activities undertaken directly                       | -              | -            | -           | -                | -       | -       |
| Support costs  | -              | -            | -           | -                | -       | 18,533  |
| Governance Costs                                     | -              | -            | -           | -                | -       | 1,685   |
|  | -              | -            | -           | -                | -       | 20,218  |
|  | 152,039        | -            | 182,924     | -                | 334,963 | 374,864 |
| Donation to parent undertaking<br>(see note 6 below) | -              | -            | 505,790     | -                | 505,790 | -       |
|  | 240,800        | -            | 736,803     | -                | 977,603 | 451,562 |

Governance costs includes £10,200 (2015: £10,200) of audit fees.

**Analysis of support and governance costs**

|                                | Support | Governance | Total   | Basis of apportionment |
|--------------------------------|---------|------------|---------|------------------------|
| Staff costs                    | 53,776  | 4,200      | 57,976  | Estimated usage        |
| Office costs                   | 5,812   | 646        | 6,458   | Estimated usage        |
| Premises                       | (7,475) | -          | (7,475) | Floor area             |
| Audit fees                     | -       | 10,200     | 10,200  | Governance             |
| Professional fees              | 441     | -          | 441     | Estimated usage        |
| Bank charges and loan interest | 5,895   | -          | 5,895   | Estimated usage        |
|                                | 58,449  | 15,046     | 73,495  |                        |

**6 Donation to parent undertaking**

On 31 December 2016, as part of a transfer agreement, Kyekus Limited transferred its assets and activities to its parent undertaking - the Royal Society for Blind Children (RSBC). See Note 18 for further details.

**KYEKUS LIMITED**

(formerly The Royal Society For Blind Children)

**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016****7 Trustees**

None of the trustees (or any persons connected with them) received any remuneration during the year.

No trustee (2015 - none) received reimbursed expenses in the year.

Trustees insurance in the year was paid as part of the RLSB group policy at a cost of £3,856 (2015: £3,856).

**8 Employees****Number of employees**

|                           | 2016<br>Number | 2015<br>Number |
|---------------------------|----------------|----------------|
| Family support            | 2              | -              |
| Marketing and fundraising | 2              | -              |
|                           | 4              | -              |

The average monthly number of employees during the year was:

|   | 2016    | 2015  |
|---|---------|-------|
| <b>Employment costs</b>                       |         |       |
| Wages and salaries                            | 126,317 | -     |
| Social security costs                         | 8,762   | -     |
| Other pension costs                           | 15,858  | -     |
| Other temporary and self-employed staff costs | 89,863  | 5,267 |
|   | 240,800 | 5,267 |

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

|   |   |
|---|---|
| - | - |
|---|---|

The total employee benefits of key management personnel of the charity were £nil (2015: £nil)

There were no key management personnel in the year as the activities of the charity were managed under the terms of the Association agreement through the Royal Society for Blind Children (RSBC).

**9****Tangible fixed assets**

|                            | Freehold<br>Land and<br>Buildings | Total     |
|----------------------------|-----------------------------------|-----------|
| At 1 January 2016          | 874,801                           | 874,801   |
| Additions                  | -                                 | -         |
| Disposals                  | (874,801)                         | (874,801) |
| <b>At 31 December 2016</b> | -                                 | -         |
| At 1 January 2016          | 56,267                            | 56,267    |
| Charge for period          | -                                 | -         |
| Disposals                  | (56,267)                          | (56,267)  |
| <b>At 31 December 2016</b> | -                                 | -         |
| <b>At 31 December 2016</b> | -                                 | -         |
| At 31 December 2015        | 818,534                           | 818,534   |

The freehold property was sold in April 2016.

**KYEKUS LIMITED***(formerly The Royal Society For Blind Children)***NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016**

| 10 Debtors  | 2016 | 2015             |
|---|------|------------------|
|   | £    | £                |
| Other debtors   | -    | 4,871            |
| Legacy debtors notified but not yet received                | -    | 20,000           |
| Prepayments and accrued income                              | -    | 11,257           |
|   | -    | <u>36,128</u>    |
| <br>  |      |                  |
| 11 Creditors : amounts falling due within one year          | 2016 | 2015             |
|   | £    | £                |
| Other loans (from connected undertaking - see note 12)      | -    | 300,000          |
| Trade creditors   | -    | 31,335           |
| Amounts owed to connected undertaking                       | -    | 87,066           |
| Taxes and social security                                   | -    | -                |
| Accruals  | -    | 59,098           |
|   | -    | <u>477,499</u>   |
| <br>  |      |                  |
| 12 Creditors : amounts falling due after more than one year | 2016 | 2015             |
|   | £    | £                |
| Other loans (from connected undertaking)                    | -    | -                |
| <b>Analysis of loans</b>                                    |      |                  |
| Wholly repayable within five years by instalments:          |      |                  |
| Other loans   | -    | 300,000          |
|   | -    | <u>300,000</u>   |
| Included in Creditors - amounts falling due within one year | -    | <u>(300,000)</u> |
|   | -    | -                |
| <br>  |      |                  |
| Debt due in one year or less                                | -    | 300,000          |
| In more than one year but not more than two years           | -    | -                |
|   | -    | <u>300,000</u>   |

In March 2014, the charity obtained a loan of £500,000 from its parent undertaking, the Royal Society for Blind Children (RSBC) which was secured over the freehold property of the charity. £200,000 of the loan was repaid in 2015 and the outstanding balance of £300,000 was repaid in 2016. The interest paid on the loan was 5.5% above Bank of England base rate.

**13 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 totaled £15,858 (2015: £15,050). Employee contributions payable to the schemes were 15.2% and employee contributions up to 10% (dependent on the rate of employee salary). There were no employees contributing to the Scheme in the year (2015: none).

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.

## KYEKUS LIMITED

(formerly The Royal Society For Blind Children)

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 DECEMBER 2016

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

Kyekus Limited 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 FRS102 section 38 represents the employer contribution payable.

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 charity 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 2012. As on this date the estimated employer debt for Kyekus Limited was £611,192.

On 1 October 2009, The Royal Blind Society for the United Kingdom, an 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 recognizes that this will included any "orphaned liabilities" within the scheme.

The change of the name of the charity to The Royal Society for Blind Children and subsequently to Kyekus Limited did not create an "Employment-Cessation Event" as the legal structure remained unchanged. No liability was due as a result of the transfer of net assets to the parent undertaking on 31 December 2016 (see note 17).



## KYEKUS LIMITED

(formerly The Royal Society For Blind Children)

### NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 13 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 finalization of the 2011 valuation. Under the recovery plan, The charity 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 finalized. 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 result of the Scheme's triennial valuation undertaken in 2014 and its resultant recovery plan was yet to be made available at the time of the signing of this report.

**KYEKUS LIMITED**

(formerly The Royal Society For Blind Children)

**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016****14 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<br>31<br>December<br>2016 |
|---------------------------|---------------------------------|---------------|------------------|-----------|--------------------------------------|
|                           | Balance at<br>1 January<br>2016 | Income        | Expenditure      | Transfers |                                      |
| Young People's ICT Grants | 37,003                          | -             | (37,003)         | -         | -                                    |
| Family Support Service    | 500                             | 63,240        | (63,740)         | -         | -                                    |
|                           | <u>37,503</u>                   | <u>63,240</u> | <u>(100,743)</u> | <u>-</u>  | <u>-</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.

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

**15 Analysis of net assets between funds**

|   | Unrestricted<br>funds | Restricted<br>funds | Total    |
|---|-----------------------|---------------------|----------|
|   | £                     | £                   | £        |
| Fund balances at 31st December 2016 are represented by: |                       |                     |          |
| Tangible fixed assets                                   | -                     | -                   | -        |
| Current assets  | -                     | -                   | -        |
| Creditors: amounts falling due within one               | -                     | -                   | -        |
| Creditors: amounts falling due after more than one year | -                     | -                   | -        |
|   | <u>-</u>              | <u>-</u>            | <u>-</u> |

**16 Related parties**

On 3rd March 2014 Kyekus Limited entered into an association with The Royal Society for Blind Children (RSBC) (charity number 307892) with the RSBC becoming the sole member of the charity.

RSBC provided a loan to Kyekus Limited (see Note 12 for details) which was repaid in 2016.

**17 Post balance sheet event**

On 31 December 2016, the Royal Society for Blind Children ("old RSBC") transferred its assets and activities to the Royal London Society for Blind People (RLSB). Following the transfer and on 1 January 2017, RLSB took on the name "Royal Society for Blind Children ("new RSBC)". Since no two charities can bear the same name, the old RSBC took the name Kyekus Limited as at that date. Kyekus Limited ceased operations on 31 December 2016 although a shell charitable company continues to exist.

**18 Corporation tax**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**KYEKUS LIMITED**

(formerly The Royal Society For Blind Children)

**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 2016****19 Comparative statement of financial activities (2015)**

|  | Notes | Unrestricted funds | Restricted funds | 2015 Total<br>£ |
|--|-------|--------------------|------------------|-----------------|
| <b><u>Income and Endowments from:</u></b>        |       |                    |                  |                 |
| Donations and legacies                           | 2     | 377,538            | 500              | 378,038         |
| Investment income                                | 3     | -                  | -                | -               |
|  |       | <b>377,538</b>     | <b>500</b>       | <b>378,038</b>  |
| Other  |       | 17,088             | -                | 17,088          |
| <b>Total income</b>                              |       | <b>394,626</b>     | <b>500</b>       | <b>395,126</b>  |
| <b><u>Expenditure on:</u></b>                    |       |                    |                  |                 |
| Raising funds                                    | 5     | 76,698             | -                | 76,698          |
| <b>Charitable activities:</b>                    |       |                    |                  |                 |
| Grant funding activity                           | 5     | 1,500              | -                | 1,500           |
| Family support service                           | 5     | 353,146            | -                | 353,146         |
| Hotel expenditure - Discontinued operations      | 5     | 20,218             | -                | 20,218          |
| <b>Total charitable expenditure</b>              |       | <b>374,864</b>     | <b>-</b>         | <b>374,864</b>  |
| <b>Total Expenditure</b>                         |       | <b>451,562</b>     | <b>-</b>         | <b>451,562</b>  |
| <b>Net (expenditure)/income before transfers</b> |       | <b>(56,936)</b>    | <b>500</b>       | <b>(56,436)</b> |
| Gross transfers between funds                    | 14    | -                  | -                | -               |
| <b>Net movement in funds</b>                     |       | <b>(56,936)</b>    | <b>500</b>       | <b>(56,436)</b> |
| <b>Reconciliation of funds:</b>                  |       |                    |                  |                 |
| Fund balances at 1 January 2016                  |       | 587,246            | 37,003           | 624,249         |
| <b>Fund balances at 31st December 2016</b>       |       | <b>530,310</b>     | <b>37,503</b>    | <b>567,813</b>  |

**20 Ultimate parent undertaking**

The ultimate parent undertaking is The Royal Society for Blind Children. Its registered office address is 52 – 58 Arcola Street, London, England, E8 2DJ.

Group financial statements for The Royal Society for Blind Children are available to the public online or at Companies House Registration Office, Crown Way, Cardiff on payment of the appropriate fee.