

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT AND ACCOUNTS

FOR THE 12 MONTHS ENDED 31 DECEMBER 2014

WEDNESDAY



A4F2XUPF
A10 02/09/2015 #335
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: 59-61 Sea Lane
Rustington
Littlehampton
West Sussex
BN16 2RQ

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

Trustees' Report

The trustees present their report and accounts for the 12 months ended 31 December 2014.

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 up until the Association with Royal London Society for Blind People (RLSB) on 3 March 2014 were:-

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

Post- Association the trustees who are also the directors for the purpose of company law, and who served during the year were:-

Mark Barrett
Ronald Edghill
John Heller
Vivian Lawrence
David Wright (Chair from 25 April 2014)

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

During the year, post-Association, the charity was led by Chief Executive Eileen Harding, succeeding Caroline Armitage. The Chief Executive is subject to oversight by the Board 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 London Society for Blind People (RLSB) 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.

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 objects of the Charity are to relieve persons who are blind or partially sighted and in charitable need. It has done this during 2014 by providing holidays to blind and partially sighted people in the Society's two hotels to break social isolation, 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

The Association with RLSB has provided additional vision impairment expertise to further develop the Society's services and has offered economies in scale in overheads to develop a leaner and more effective organisation.

A detailed review of all of the Society's services was undertaken during the year to identify stakeholder need and the financial sustainability of each service.

The Family Support Service review identified all active children, young people and families the Society was supporting and this numbered 126 families at the end of 2014 with a total of 56 new referrals during the year.

As part of the review of the hotel services and the Society's property assets, it was highlighted that both hotels should be sold due to long-term falling demand and financial pressure. Whilst the Society tried to keep both hotels open as specialist hotels for as long as possible, room capacity was unfulfilled and on-

going running costs were high. In May 2014 both hotels were placed on the property market for sale. The Bradbury Hotel in East Preston is selling under an options agreement and closed its doors on 31 October 2014. The Belmont Hotel in Llandudno was under offer by December 2014, was closed in January 2015 and the sale was completed in March 2015. Money from the sale of both properties will be used to provide more support for blind and partially sighted children, young people and their families across the country.

Whilst gross fundraising is lower than the previous 15 months due to a significant decrease in legacy income, other voluntary income streams maintained similar levels of return. The principal sources of fundraising for the charity are currently store collections, legacies, individual giving and grant income from trusts and foundations. Overheads were reduced significantly whilst direct service delivery costs were maintained to reflect the beneficiary activity during the year. Hotel costs, proportionately lower than the previous period, also include the costs of closure including staff redundancy costs.

Systems and processes have been significantly improved within the Society resulting in a more cost-effective service delivery model and savings in overhead costs.

The Society wishes to thank all its donors and volunteers who supported its work with blind and vision-impaired people throughout this period, and a special thanks to all the hotel guests who have used the services at the Bradbury and Belmont Hotels over a number of years.

Annual Grants

One beneficiary grant was paid in-year.

Objectives for 2015

The Society wishes to:-

- Complete the sale of the Bradbury Hotel
- Increase the number of Family Support Workers maintaining a total number of 12 in appropriate regions, to reach an increase of 56% in supported families during the year with 35% of those families supported being new referrals.
- Continue diversifying its fundraising activities to prepare the organisation for future income growth
- Increase its brand profile
- Reach a network base of 1000 professionals nationwide to connect with and to meet the needs of more children, young people and their families

Financial Review

The results for the 12 month period ended 31st December 2014 are shown in the Statement of Financial Activities on page 8 and related notes.

As in the previous financial period there is again a deficit, which this year is £172,367 (£27,115, 2013). The decision to close the hotel services at the

Belmont Hotel, later than planned, resulted in further operational costs. As neither hotel was sold as a going concern, both incurred property and staff costs on closure.

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 cash-flow during 2014 has been much improved.

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:

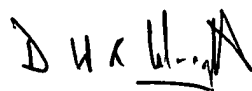
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 'D Wright', with a horizontal line under the name.

David Wright

Chair

Dated: 1 September 2015

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 2014 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, 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.

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 2014 and of the 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.

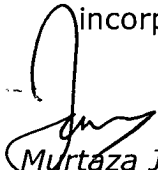
Opinion on other matter prescribed by the Companies Act 2006

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.



*Murtaza Jessa (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor*

.....1 September.....2015

*26 Red Lion Square
London
WC1R 4AG*

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 YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted funds	Restricted funds	2014	15 months to 31 December 2013
<u>Incoming resources</u>					
Incoming resources from generated funds					
Voluntary income	2	279,079	113,523	392,602	683,980
Activities for generating funds		-	-	-	30,733
Investment income	3	54	-	54	111
		<u>279,133</u>	<u>113,523</u>	<u>392,656</u>	<u>714,824</u>
Incoming resources from charitable activities -					
Discontinued operations	4	687,096	-	687,096	886,849
Other income	18	20,000	-	20,000	-
Total incoming resources		<u>986,229</u>	<u>113,523</u>	<u>1,099,752</u>	<u>1,601,673</u>
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating voluntary income	5	<u>138,519</u>	-	<u>138,519</u>	<u>128,388</u>
Charitable activities					
Grant funding activity	5	17,727	-	17,727	22,189
Family support service	5	-	130,133	130,133	151,995
Hotel expenditure - Discontinued operations	5	922,818	-	922,818	1,195,186
Total charitable expenditure		<u>940,545</u>	<u>130,133</u>	<u>1,070,678</u>	<u>1,369,370</u>
Governance costs	5	62,922	-	62,922	131,030
Total resources expended		<u>1,141,986</u>	<u>130,133</u>	<u>1,272,119</u>	<u>1,628,788</u>
Net (outgoing)/incoming resources before transfers		<u>(155,757)</u>	<u>(16,610)</u>	<u>(172,367)</u>	<u>(27,115)</u>
Gross transfers between funds	14	<u>(6,438)</u>	<u>6,438</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(162,195)</u>	<u>(10,172)</u>	<u>(172,367)</u>	<u>(27,115)</u>
Fund balances at 1 January 2014		749,441	47,175	796,616	823,731
Fund balances at 31st December 2014		<u>587,246</u>	<u>37,003</u>	<u>624,249</u>	<u>796,616</u>

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

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

The accompanying notes form part of these financial statements.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
Gross income	1,099,752	1,601,673
Gain on disposal of investment assets held by income funds	-	-
Total income	<u>1,099,752</u>	<u>1,601,673</u>
Total expenditure from income funds	<u>1,272,119</u>	<u>1,628,788</u>
Net expenditure for the year	<u>(172,367)</u>	<u>(27,115)</u>

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

BALANCE SHEET

Company number: 05764810

FOR THE 15 MONTHS ENDED 31 DECEMBER 2014

	Notes	As at 31 December 2014		As at 31 December 2013	
		£	£	£	£
Fixed assets					
Tangible assets	9		16,944		1,235,961
Tangible assets - Assets held for sale	9		<u>1,159,304</u>		<u>-</u>
			1,176,248		1,235,961
Current assets					
Stocks			-		5,717
Debtors	10		312		81,070
Cash at bank and in hand			<u>116,066</u>		<u>29,095</u>
			116,378		115,882
Creditors: amounts falling due within one year	11		<u>(168,377)</u>		<u>(398,811)</u>
Net current liabilities			<u>(51,999)</u>		<u>(282,929)</u>
Total assets less current liabilities			1,124,249		953,032
Creditors: amounts falling due after more than one year	12		<u>(500,000)</u>		<u>(156,416)</u>
Net assets			<u>624,249</u>		<u>796,616</u>
Income funds					
Restricted funds	14		37,003		47,175
Unrestricted funds			<u>587,246</u>		<u>749,441</u>
			<u>587,246</u>		<u>749,441</u>
			<u>624,249</u>		<u>796,616</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/..... September 2015



David Wright
Trustee

The accompanying notes form part of these financial statements.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards and 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 repaid its bank loan and replaced it with a loan from its associated charity, the Royal London Society for the Blind (RLSB). As at the year end, it had made arrangements for disposal of its two properties to repay the loan and to finance working capital.

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 11.

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

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)

YEAR ENDED 31 DECEMBER 2014

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)

YEAR ENDED 31 DECEMBER 2014

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 13.

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)

YEAR ENDED 31 DECEMBER 2014

2 Voluntary Income

	Unrestricted funds	Restricted funds	12 months to 31st December 2014	15 months to 31st December 2013
Donations and gifts	279,079	113,523	392,602	683,980
Grants receivable for core activities	-	-	-	-
	<u>279,079</u>	<u>113,523</u>	<u>392,602</u>	<u>683,980</u>
Donations and gifts (Unrestricted)			£	£
Unrestricted funds:				
Donations from Blindcare			-	11,000
Legacies			84,136	231,245
Other fundraising income and donations			194,943	311,296
			<u>279,079</u>	<u>553,541</u>

3 Investment Income

Income from listed investments	-	63
Interest receivable	54	48
	<u>54</u>	<u>111</u>

4 Incoming resources from charitable activities

Accommodation and guest income	<u>687,096</u>	<u>886,849</u>
--------------------------------	----------------	----------------

This service was operated through two hotels both of which ceased operations at the end of 2014.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

5	Total resources expended	Staff Costs	Depreciation	Other Costs	Grant Funding	12 months to 31st December 2014	15 months to 31st December 2013
	Costs of generating funds						
	Costs of generating voluntary income	89,663	1,205	47,651	-	138,519	128,388
	Charitable activities						
	<u>Grant funding activity</u>						
	Grant funding of activities	-	-	-	1,500	1,500	3,234
	Support Costs	10,306	-	5,921	-	16,227	18,955
	Total	10,306	-	5,921	1,500	17,727	22,189
	<u>Families Support Service</u>						
	Activities undertaken directly	78,540	-	-	-	78,540	106,989
	Support costs	25,764	9,037	16,792	-	51,593	45,006
		104,304	9,037	16,792	-	130,133	151,995
	<u>Hotel Expenditure</u>						
	Activities undertaken directly	450,170	-	181,259	-	631,429	1,041,239
	Support costs	77,295	50,002	164,092	-	291,389	153,947
		527,465	50,002	345,351	-	922,818	1,195,186
		642,075	59,039	368,064	1,500	1,070,678	1,369,370
	Governance Costs	2,576	-	60,346	-	62,922	131,030
		734,314	60,244	476,061	1,500	1,272,119	1,628,788

Governance costs includes £11,400 of audit fees and £14,801 of legal and professional fees.

6	Grants Payable	Grants to Institutions	Grants to Individuals	Total 2014	Total 2013
	Grant funding activity	-	1,500	1,500	9,360

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.
 No trustee (2013 - two trustees) received reimbursed expenses (2013 - £431) for travel and subsistence in the year.
 Trustees insurance was paid totalling £1,742 (2013 -£1,996).

8 Employees

Number of employees	2014 Number	2013 Number
The average monthly number of employees during the year was:		
Fundraising and development	-	1
Hotel management and support staff	37	42
Management and administration	-	2
	<u>37</u>	<u>45</u>

Employment costs	12 months to 31st December 2014	15 months to 31st December 2013
Wages and salaries	522,627	708,835
Social security costs	18,362	42,815
Other pension costs	18,797	10,422
Other temporary and self employed staff costs	174,528	103,753
	<u>734,314</u>	<u>865,825</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>-</u>	<u>-</u>

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

9	Tangible fixed assets	Freehold land and buildings (Fixed asset for sale)	Leasehold land and buildings (Fixed asset for sale)	Fixtures, fittings and equipment	Motor vehicles	Total
	Cost					
	At 1 January 2013	874,801	353,331	113,264	13,488	1,354,884
	Additions	-	-	639	-	639
	At 31 December 2014	874,801	353,331	113,903	13,488	1,355,523
	Depreciation					
	At 1 January 2013	31,849	18,547	58,952	9,575	118,923
	Charge for period	12,919	5,513	40,586	1,334	60,352
	At 31 December 2014	44,768	24,060	99,538	10,909	179,275
	Net book value					
	At 31 December 2014	830,033	329,271	14,365	2,579	1,176,248
	At 30 September 2013	842,952	334,784	54,312	3,913	1,235,961

At the end of 2014, arrangements were in place for the sale of the freehold and leasehold properties. An option to purchase the freehold property was granted to a third party during the year. The sale of the leasehold property was completed in 2015 (see Note 18).

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

10	Debtors	2014	2013
		£	£
	Other debtors	-	1,070
	Legacy debtors notified but not yet received	-	80,000
	Prepayments and accrued income	312	-
		<u>312</u>	<u>81,070</u>
11	Creditors : amounts falling due within one year	2014	2013
		£	£
	Bank loans	-	10,976
	Bank overdrafts	-	244,782
	Trade creditors	56,834	61,285
	Taxes and social security	11,646	11,432
	Guest income paid in advance	-	31,992
	Other creditors	-	6,289
	Accruals	99,897	32,055
		<u>168,377</u>	<u>398,811</u>

The bank overdraft and the loan facility were secured by a legal charge over certain assets of the charitable company. The loan and overdraft were repaid in 2014.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

12 Creditors : amounts falling due after more than one year	2014	2013
	£	£
Bank loans	-	156,416
Other loans (from connected undertaking)	500,000	-
	<u>500,000</u>	<u>156,416</u>
Analysis of loans		
Wholly repayable within five years by instalments:		
Bank loans	-	167,392
Other loans	500,000	-
	<u>500,000</u>	<u>167,392</u>
Included in current liabilities	-	(10,976)
	<u>500,000</u>	<u>156,416</u>
Loan maturity analysis		
Debt due in one year or less	-	10,289
In more than one year but not more than two years	500,000	10,975
In more than two years but not more than five years	-	36,708
In more than five years	-	98,444
	<u>500,000</u>	<u>156,416</u>

The bank loan was repaid on 3 March 2014 and was replaced by loan of £500,000 from the Royal London Society for Blind People (RLSB) which is secured over the freehold and leasehold property of the charity. The loan bears interest at 5.5% above Bank of England base rate and is repayable by 31 March 2016. The loan is secured by a legal charge over the properties of the charity.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

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 totalled £15,050 and £3,392 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 1 members of staff in the schemes respectively as at 31st December 2014.

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)

YEAR ENDED 31 DECEMBER 2014

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 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 result of the Scheme's triennial valuation undertaken in 2014 and its resultant recovery plan will be available by the end of 2015.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

13 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 2012. As on this date the estimated employer debt for The Royal Blind Society for the United Kingdom 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 recognises that this will include any "orphaned liabilities" within the scheme.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

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 31 December 2014
	Balance at 1 January 2014	Incoming resources	Resources expended	Transfers	
Young People's ICT Grants	37,003	-	-	-	37,003
Family Support Service	10,172	113,523	(130,133)	6,438	-
	<u>47,175</u>	<u>113,523</u>	<u>(130,133)</u>	<u>6,438</u>	<u>37,003</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 funds	Restricted funds	Total
	£	£	£
Fund balances at 31st December 2014 are represented by:			
Tangible fixed assets	1,176,248	-	1,176,248
Current assets	79,375	37,003	116,378
Creditors: amounts falling due within one year	(168,377)	-	(168,377)
Creditors: amounts falling due after more than one year	(500,000)	-	(500,000)
	<u>587,246</u>	<u>37,003</u>	<u>624,249</u>

16 Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	-	-	-	-
Between two and five years	-	-	-	3,693
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,693</u>

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2014

17 Related parties

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) with the RLSB becoming the sole member of the charity.

18 Post balance sheet event

Bradbury Hotel, the charity's freehold property, will be sold subject to the purchaser obtaining planning permission. A contract granting an option to purchase the property was in place at the year end for which a non-refundable sum of £20,000 was received in 2014. It is expected that the contract of sale will be exchanged and the sale completed by the last quarter of 2015.

Belmont Hotel, the charity's leasehold property, was sold in March 2015 for £320,000.