

499376
Co House

Charity Registration No 1131623

Company Registration No. 05764810 (England and Wales)

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012



Carpenter Box LLP
Chartered Accountants
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Baxter - Honorary Treasurer John Heller Stuart Ritchie
Charity number	1131623
Company number	05764810
Registered office	6 St Johns Parade Alinora Crescent Goring-by-sea Worthing West Sussex BN14 4HJ
Auditors	Carpenter Box LLP Amelia House Crescent Road Worthing West Sussex BN11 1QR
Bankers	Lloyds TSB Bank PLC 41-43 South Street Worthing West Sussex BN11 3AU
Solicitors	Russell-Cooke 2 Putney Hill Putney London SW15 6AB
Investment advisors	Citigroup Quilter St Helen's 1 Undershaft London EC3A 8BB

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditors' report	6 - 7
Statement of financial activities	8
Summary income and expenditure account	9
Balance sheet	10
Notes to the accounts	11 - 27

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

The trustees present their report and accounts for the year ended 30 September 2012

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, 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 were

Richard Wood	(Deceased 13 April 2012)
Eileen Howard - Chairman	(Resigned 31 May 2013)
David Baxter - Honorary Treasurer	
Colin Brown	(Resigned 7 December 2012)
John Heller	

Stuart Ritchie was appointed as a trustee with effect from 7 December 2012

The Board of Trustees is to consist of not fewer than three and no more than ten persons elected by members of the charity

The trustees select members of the Trustee Board and identify the need for new trustees after considering the composition and effectiveness of the present board. New trustees will undergo an induction process, the aim of which is to advise them of their legal obligations under charity law and company law, the contents of the trust deed, the board and decision making process, the business plan and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The Trustees have overall responsibility for ensuring that

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

Responsibility for planning and day-to-day management of operations is delegated to managers. During the year the Senior Management Team (SMT) was, in the period to 30 April 2012, led by the Chief Executive Graham Booth. On his retirement Caroline Armitage was appointed as Chief Executive with effect from 1 May 2012. The Chief Executive and SMT are subject to oversight by the Board at Board meetings and as otherwise required. During the 2011-12 Financial Year there were no formal sub committees of the Board.

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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 misstatement 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

Objectives and activities

The charity's objects are to provide financial and other support to blind and partially sighted people in need. It does this by

- a) Working to break the social isolation often endured by visually impaired people, particularly those who are elderly by providing quality holiday breaks at its own hotels
- b) Enabling visually impaired people to have enriched life experiences through accessing appropriate holidays elsewhere in the United Kingdom
- c) Providing support and enriched life experiences to children and young people with visual impairment
- d) Subject to availability of funds, providing grant and other financial support to visually impaired people

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

Overview

The period has been a difficult one for the charity, as it has been for many other charities. In particular the economic downturn has adversely affected the bookings at the company's two hotels for visually impaired people. This was particularly the case at the larger of the two hotels, The Belmont in Llandudno, and this had a severe adverse impact on the cash flow of the charity, which has required a wholesale re-evaluation by the Trustees of the way the charity operates and how it can continue to meet its objectives.

Hotels and Leisure

Both Hotels continue to have a high percentage of returning guests and as well as taking bookings from individuals and friendship groups, work closely with local county blind societies and branches of organisations such as the Macular Society to provide their members with group holidays, and continue to receive positive guest feedback. We have provided over 2,200 guests with holidays and over 80% of our guests are blind or partially sighted, with the remaining guests being carers / spouses / supporters of those blind and partially sighted guests. Staff at our hotels have received specialised visual awareness training from the charity. All sites provide good facilities for disabled people.

Guest numbers at both hotels remain broadly stable, but costs have increased substantially during the financial period and the external economic situation has meant that charges have had to remain at broadly similar levels as well, despite costs increases. All of this has added to the financial pressure on the Society. While the hotels are fee-charging many holidays are provided at less than cost and individuals and groups are given grants / discounts to enable them to benefit from the Society's facilities.

As a result a restructuring of the hotel staff was undertaken between June and September 2012 resulting in the appointment of a Director of Hotel Services to oversee and market both hotels, together with a reduction of headcount through a redundancy programme at the Belmont Hotel. Careful control has been kept on running costs during the year, together with limiting spend on capital projects and property refurbishment to conserve resources.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Fundraising

The charity has continued its programme of fundraising from trusts and grant giving bodies aimed primarily at specific repair and refurbishment needs, and at supporting the provision of holidays within the hotels. Fundraising has been at largely the same level as during the previous financial year excluding legacies. The charity has been fortunate to benefit from increased legacy income. While not budgeted this has proved an important source of funds during the financial year.

In addition the Society benefits from a small but committed group of volunteer fundraisers who undertake store collections and acknowledges the dedication and effectiveness of this fundraising, particularly once again Nigel Garry and his team who have again raised over £75,000 in the year. The Trustees wish to thank these donors and volunteers, whose support continues to be vital in enabling it to providing services to its client group.

Given the continued pressure on charitable funds the Society will be undertaking a full review and updating of its fundraising strategy during the 2012-13 financial year.

Grants

Annual grants have been provided in past years to blind and partially sighted people on low incomes to provide financial support and this financial year was the final one of a three year cycle. Regrettably as a result of the Society's constrained financial position the Trustees took the decision not to award any new annual grants during the year. Ad hoc grants have been given as one-off amounts to individuals for specific purposes and applications are considered on an individual basis.

The Charity does not anticipate it will be in a position to act as a grant giving charity other than on a very occasional basis in the future based on current levels of funding.

Financial review

The results for the year ended 30 September 2012 are shown in the Statement of Financial Activities on page 8 and related notes.

Due to the reduction in gross income and increased expenditure, as in the previous financial year there was a substantial in-year net deficit of £146,661. As a result there was a need to realise a part of the charity's investments to support expenditure and deficits incurred on services, particularly the hotel services. The overall market value of the portfolio had reduced as a result of realisations from £89,989 at the end of 2010/11 to £44,741 as at 30 September 2012.

The investment managers, Quilters, have discretion to manage the portfolio on a total return policy within an agreed risk profile, and this is monitored by the Honorary Treasurer.

The Trustees have previously looked to retain unrestricted funds which have not been designated for a specific use at a level equivalent to between three and six month's expenditure as determined by the budget for the relevant financial year. Regrettably as in previous years the calls on the charity's cash resources and reserves has been such that this has not been achievable, and indeed available funds have been depleted rather than replenished. This continues to be kept under constant review and the need to increase funding forms part of the basis for the strategic review of Fundraising, and the continued work to reduce overheads which is currently in progress.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Plans for the future

The charity has carried out a strategic review and has identified that it wishes to -

- Continue to focus on breaking social isolation in blind people by providing, high quality, specialist hotel holidays to blind and partially people, particularly in the older age group
- Extend its provision of specialist holiday services to visually impaired children and young people and their families
- Expand the services it provides to visually impaired children and their families

As a result of this the decision was taken to merge with The Eyeless Trust (completed 31 December 2012) The Eyeless Trust was created by the late Lillian Ramsay MBE and has in the 20 years since its formation worked tirelessly, throughout the United Kingdom, to support children with severe congenital visual impairments, and their families by providing dedicated family support workers For a number of years the two charities have worked closely together with the Royal Blind Society providing holidays and activity days for children supported by the Eyeless Trust at its hotels The two charities have also shared some administrative and fundraising support

The newly enlarged Royal Blind Society will continue the work of The Eyeless Trust as the Children and Families' Service of the Royal Blind Society The two charities will use the positive synergy between the two organisations not only to increase the number and range of visually impaired children supported, but also to offer a wider range of services to blind and partially sighted children and their families

Disclosure of information to auditors

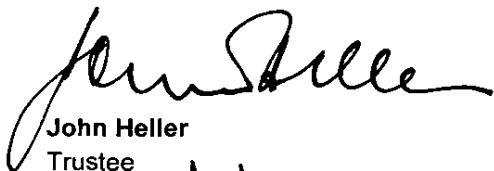
Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

Auditors

A resolution proposing that Carpenter Box LLP be reappointed as auditors of the company will be put to the members

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



John Heller

Trustee

Dated 19/6/2013

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of The Royal Blind Society For The United Kingdom for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

We have audited the accounts of The Royal Blind Society For The United Kingdom for the year ended 30 September 2012 set out on pages 8 to 27. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of The Royal Blind Society For The United Kingdom for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2012 and of its incoming resources and application of resources, including its 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' Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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 accounts in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report

Carpenter Box LLP

Eileen Houghton ACA FCCA DChA (Senior Statutory Auditor)

for and on behalf of Carpenter Box LLP

Chartered Accountants

Statutory Auditor

Worthing

21st June 2013

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	313,737	74,527	388,264	384,019
Activities for generating funds		25,924	-	25,924	22,933
Investment income	3	1,204	-	1,204	2,404
		<u>340,865</u>	<u>74,527</u>	<u>415,392</u>	<u>409,356</u>
Incoming resources from charitable activities	4	843,351	-	843,351	820,266
Total incoming resources		<u>1,184,216</u>	<u>74,527</u>	<u>1,258,743</u>	<u>1,229,622</u>
Resources expended					
5					
Costs of generating funds					
Costs of generating voluntary income		157,775	-	157,775	187,906
Charitable activities					
Grant funding activity		25,232	36,935	62,167	114,373
Hotel expenditure		1,070,357	9,812	1,080,169	963,337
Total charitable expenditure		<u>1,095,589</u>	<u>46,747</u>	<u>1,142,336</u>	<u>1,077,710</u>
Governance costs		105,293	-	105,293	105,177
Total resources expended		<u>1,358,657</u>	<u>46,747</u>	<u>1,405,404</u>	<u>1,370,793</u>
Net (outgoing)/incoming resources before transfers		<u>(174,441)</u>	<u>27,780</u>	<u>(146,661)</u>	<u>(141,171)</u>
Gross transfers between funds		58,950	(58,950)	-	-
Net outgoing resources		<u>(115,491)</u>	<u>(31,170)</u>	<u>(146,661)</u>	<u>(141,171)</u>
Other recognised gains and losses					
Gains on investment assets		6,049	-	6,049	383
Net movement in funds		<u>(109,442)</u>	<u>(31,170)</u>	<u>(140,612)</u>	<u>(140,788)</u>
Fund balances at 1 October 2011		881,840	82,503	964,343	1,105,131
Fund balances at 30 September 2012		<u>772,398</u>	<u>51,333</u>	<u>823,731</u>	<u>964,343</u>

The statement of financial activities has been prepared on the basis that all activities are continuing

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 £	2011 £
Gross income	1,258,743	1,229,622
Gain on disposal of investment assets held by income funds	2,885	6,046
Total income	1,261,628	1,235,668
Total expenditure from income funds	1,405,404	1,370,793
Net expenditure for the year	<u>(143,776)</u>	<u>(135,125)</u>

The summary income and expenditure account is derived from the statement of financial activities on page 8 which, together with the notes on pages 11 to 27, provides full information on the movements during the year on all funds of the charity

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

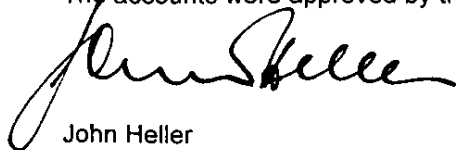
BALANCE SHEET

AS AT 30 SEPTEMBER 2012

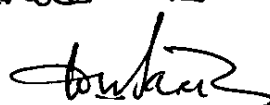
	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,263,291		1,276,904
Investments	11		44,741		88,692
			<u>1,308,032</u>		<u>1,365,596</u>
Current assets					
Stocks		5,717		7,331	
Debtors	12	42,883		34,362	
Cash at bank and in hand		8,359		9,216	
		<u>56,959</u>		<u>50,909</u>	
Creditors amounts falling due within one year	13	<u>(371,072)</u>		<u>(270,998)</u>	
Net current liabilities			<u>(314,113)</u>		<u>(220,089)</u>
Total assets less current liabilities			<u>993,919</u>		<u>1,145,507</u>
Creditors amounts falling due after more than one year	14		<u>(170,188)</u>		<u>(181,164)</u>
Net assets			<u>823,731</u>		<u>964,343</u>
Income funds					
Restricted funds	16		51,333		82,503
Unrestricted funds					
Unrestricted income funds		770,243		881,840	
Revaluation reserve		2,155		-	
		<u>772,398</u>		<u>881,840</u>	
			<u>823,731</u>		<u>964,343</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 by the Board on 19th June 2013



John Heller
Trustee



David Baxter - Honorary Treasurer
Trustee

Company Registration No 05764810

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting policies

1.1 Basis of preparation

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

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, subject to the paragraph below and the Companies Act 2006

The Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 requires that charities under common control prepare consolidated accounts. This charity had the same trustees as The Eyeless Trust (Charity No 1131363) however independent trustees were being sought for each charity until in September 2012 when the trustees resolved to merge the two charities and the merger was completed on December 2012. The trustees have concluded the two charities were not within the meaning of common control whilst independent trustees were being sought and, subsequent to the decision to merge the two charities, the incoming and outgoing resources, the assets and liabilities and the net assets of The Eyeless Trust are not material in relation to the accounts of the charity. Consequently the trustees have decided not to prepare consolidated accounts.

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 and the expected improvement in voluntary income from donations, gifts and legacies, maintaining levels of accommodation and guest income from the charity's two hotels and a reduction in the costs incurred by the charity.

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

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

1.2 Incoming resources

Incoming resources from charitable activities being accommodation and guest income represents amounts receivable in respect of care and accommodation provided to the blind and partially sighted after adjusting for amounts received in advance, as stated at note 13.

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 of restricted funds, and retained in restricted funds until the specified purpose has been met. Transfers between funds relate to those restricted funds expended on capital items under the conditions of the donation received.

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

- Entitlement - actual receipt or legally enforceable right to receipt
- Certainty - reasonable certainty of receipt
- Measurement - the monetary value can be measured with sufficient reliability

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

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, as shown below.

Costs of generating voluntary income includes general publicity, pump-priming 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 in respect of the running of the charity as an organisation, including general management, administration, legal and constitutional matters.

Support costs include staff costs incurred to support income generation and governance, together with the 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 upon the estimated staff time spent on each specific activity, with 60% and 10% attributable to hotel expenditure and grant funding support costs respectively, 5% to costs of generating voluntary income and 25% to governance costs.

Head office premises and other office costs are allocated based upon the level of support given to each of the charity's activities, with 10% attributable to grant funding support costs, 5% to costs of generating voluntary income, 60% to hotel expenditure and 25% to governance costs. Finance and payroll costs are allocated based upon activity levels and staff numbers, with 60% and 10% attributable to hotel expenditure and grant funding support costs respectively, 5% to cost of generating voluntary income and 25% to governance costs.

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 less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated.

Freehold buildings

1% straight line basis

Leasehold property

Building element only 1% straight line

Short leasehold - over lease term (10 years)

Fixtures, fittings and equipment

15% straight line basis

Motor vehicles

25% reducing balance basis

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting Policies

(continued)

1.5 Leasing and 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. Realised 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 contributions 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 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 15.

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.

1.10 Taxation

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Donations and gifts	313,737	64,529	378,266	290,903
Grants receivable for core activities	-	9,998	9,998	93,116
	<u>313,737</u>	<u>74,527</u>	<u>388,264</u>	<u>384,019</u>

Donations and gifts

Unrestricted funds

Donations from Blindcare

4,000 7,500

Legacies

86,761 36,019

Other fundraising income and donations

222,976 216,537

313,737 260,056

At the Balance Sheet date the charity had been notified of, but not yet received, material legacies for which the conditions for recognition have not been met. The value of these was estimated to be £60,000.

3 Investment income

	2012 £	2011 £
Income from listed investments	1,201	2,263
Interest receivable	3	141
	<u>1,204</u>	<u>2,404</u>

The above includes income from investment assets held outside the UK totalling £399

4 Incoming resources from charitable activities

	2012 £	2011 £
Accommodation and guest income	<u>843,351</u>	<u>820,266</u>

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
Costs of generating funds						
Costs of generating voluntary income	113,089	-	44,686	-	157,775	187,906
Charitable activities						
<u>Grant funding activity</u>						
Grant funding of activities	-	-	-	37,594	37,594	78,317
Support costs	11,087	-	13,486	-	24,573	36,056
Total	11,087	-	13,486	37,594	62,167	114,373
<u>Hotel expenditure</u>						
Activities undertaken directly	484,141	22,522	426,071	-	932,734	871,231
Support costs	66,523	-	80,912	-	147,435	92,106
Total	550,664	22,522	506,983	-	1,080,169	963,337
	561,751	22,522	520,469	37,594	1,142,336	1,077,710
Governance costs	27,718	7,004	70,571	-	105,293	105,177
	702,558	29,526	635,726	37,594	1,405,404	1,370,793

Governance costs includes payments to the auditors of £8,000 (2011 - £8,000) for audit fees and £3,500 (2011 - £4,000) for other services

Included within other governance costs is an amount of £25,393 of legal and professional fees

6 Grants payable

	Grants to institutions £	Grants to individuals £	Total 2012 £	Total 2011 £
Grant funding activity	240	37,354	37,594	78,317

Included within grants to individuals are holidays provided at one of our hotels

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

7 Support costs

	Costs of generating funds £	Grant funding activity £	HotelGovernance expenditure £		Total 2012 £	Total 2011 £
Premises costs	1,533	3,066	18,395	7,665	30,659	21,500
Finance and payroll	5,208	10,420	62,517	25,257	103,402	26,618
Staff costs	5,544	11,087	66,523	27,718	110,872	80,044
	<u>6,741</u>	<u>24,573</u>	<u>147,435</u>	<u>32,922</u>	<u>145,148</u>	<u>128,162</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year but two (2011 - none) received reimbursed expenses totalling £757 (2011 - nil) for travel and subsistence. Trustees insurance was paid totalling £700 (2011 - £238).

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

9 Employees

Number of employees

The average monthly number of employees during the year was

	2012 Number	2011 Number
Fundraising and development	3	4
Hotel management and support staff	42	39
Management and administration	2	2
	<u>47</u>	<u>45</u>

Employment costs

	2012 £	2011 £
Wages and salaries	628,807	629,131
Social security costs	43,813	45,454
Other pension costs	29,938	38,471
	<u>702,558</u>	<u>713,056</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

	2012 Number	2011 Number
Management and administration	<u>1</u>	<u>1</u>

The employee whose emoluments exceeded £60,000, had retirement benefits accruing under defined benefit pension schemes. The employee concerned retired on 30 April 2012.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

10 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2011	874,801	353,331	81,150	13,488	1,322,770
Additions	-	-	15,913	-	15,913
At 30 September 2012	874,801	353,331	97,063	13,488	1,338,683
Depreciation					
At 1 October 2011	11,790	5,782	22,395	5,899	45,866
Charge for the year	5,689	6,620	15,320	1,897	29,526
At 30 September 2012	17,479	12,402	37,715	7,796	75,392
Net book value					
At 30 September 2012	857,322	340,929	59,348	5,692	1,263,291
At 30 September 2011	863,011	347,549	58,755	7,589	1,276,904

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

11 Fixed asset investments

	UK equities £	UK fixed interest £	Foreign equities £	Cash deposits £	Total £
Market value at 1 October 2011	49,459	8,162	29,498	1,573	88,692
Disposals at opening book value	(28,313)	(3,755)	(17,781)	(644)	(50,493)
Acquisitions at cost	3,089	-	-	-	3,089
Change in value in the year	1,247	(2)	2,208	-	3,453
Market value at 30 September 2012	25,482	4,405	13,925	929	44,741
Historical cost					
At 30 September 2012	26,018	3,835	11,804	929	42,586
At 30 September 2011	51,241	7,590	29,585	1,573	89,989

The disposals of cash deposits represent their net movement during the period

At 30 September 2012 the charity held the following investments in excess of 5% of the total market value of its portfolio

UK (Govt Of) 4 75% Stk	£3,515
M&G Investment Mgt Corporate	£3,120
Ishares S&P 500	£3,367
Schroder Uk Growth	£6,136
Ishares FTSE 100	£6,596
Mercantile Investment Trust	£6,576
BNY Mellon Glb	£2,964
Bh Global Ltd	£3,089

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

12 Debtors	2012	2011
	£	£
Income tax repayment due	9,025	3,000
Amounts owed by connected undertakings	6,929	18,534
Other debtors	7,640	7,449
Interest and dividends receivable	184	370
Prepayments and accrued income	19,105	5,009
	<u>42,883</u>	<u>34,362</u>
13 Creditors amounts falling due within one year	2012	2011
	£	£
Bank loans	10,976	10,289
Bank overdrafts	145,353	72,507
Trade creditors	89,040	54,625
Taxes and social security costs	9,381	16,250
Guest income paid in advance	90,678	92,607
Other creditors	4,515	5,720
Grants payable	-	1,000
Accruals	21,129	18,000
	<u>371,072</u>	<u>270,998</u>

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

14 Creditors amounts falling due after more than one year	2012 £	2011 £
Bank loans	<u>170,188</u>	<u>181,164</u>
Analysis of loans		
Not wholly repayable within five years by instalments		
Bank loans	<u>181,164</u>	<u>191,453</u>
	<u>181,164</u>	<u>191,453</u>
Included in current liabilities	<u>(10,976)</u>	<u>(10,289)</u>
	<u>170,188</u>	<u>181,164</u>
Loan maturity analysis		
Debt due in one year or less	10,976	10,289
In more than one year but not more than two years	11,587	10,975
In more than two years but not more than five years	40,144	36,708
In more than five years	<u>118,457</u>	<u>133,481</u>
	<u>181,164</u>	<u>191,453</u>

The loan facility is secured by a legal charge over both the freehold property and the leasehold property

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

15 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 year totalled £9,808 and £20,130 respectively. Employer contributions to the schemes were 15.2% and up to 10% (dependent on the rate of employee contribution) respectively during the year. There were 2 and 10 members of staff in the schemes respectively as at 30 September 2012.

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 final salary with an 1/80th accrual rate, until the date of Scheme closure on 31 March 2010.

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

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

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

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

15 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 £10,567 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 31 March 2028.

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

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

15 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 of 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 this discretion the Trustee of the Scheme and the incorporated charity have agreed that for the purposes of calculating the share of debt due in the future from the incorporated charity reference will be made to the liabilities that would have been attributable to the unincorporated charity. The incorporated charity recognises that this will include any 'orphaned liabilities' within the scheme.

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

16 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 30 September 2012
	Balance at 1 October 2011	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Young people's ICT grants	37,003	-	-	-	37,003
General grants	45,500	45,676	(36,935)	(45,651)	8,590
National Lottery	-	9,998	(1,937)	(7,241)	820
General fund	-	18,853	(7,875)	(6,058)	4,920
	<u>82,503</u>	<u>74,527</u>	<u>(46,747)</u>	<u>(58,950)</u>	<u>51,333</u>

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

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

The National Lottery Grant was a grant towards the provision of improved computer facilities. The balance of £820 was repaid after the year end

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

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 September 2012 are represented by			
Tangible fixed assets	1,263,291	-	1,263,291
Investments	-	44,741	44,741
Current assets	50,367	6,592	56,959
Creditors amounts falling due within one year	(371,072)	-	(371,072)
Creditors amounts falling due after more than one year	(170,188)	-	(170,188)
	<u>772,398</u>	<u>51,333</u>	<u>823,731</u>
Unrealised gains included above			
On investments	2,155	-	2,155
	<u>2,155</u>	<u>-</u>	<u>2,155</u>

18 Commitments under operating leases

At 30 September 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date				
Within one year	-	11,750	-	-
Between two and five years	-	-	4,857	-
	<u>-</u>	<u>11,750</u>	<u>4,857</u>	<u>-</u>

THE ROYAL BLIND SOCIETY FOR THE UNITED KINGDOM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2012

19 Related parties

The Trustees of The Royal Blind Society are also Trustees of The Eyeless Trust, a charity with which a strategic partnership exists

The charity received £109,464 from The Eyeless Trust during the year, this was in respect of reimbursed expenses in relation to costs for staff and family support workers along with some administrative costs, and payments for assistance with bookkeeping and fundraising. A balance of £6,929 is an outstanding debtor at the year end

During the year a debtor of £9,270 owed by The Eyeless Trust has been written off

During the year The Royal Blind Society made a total of 3 weeks accommodation available in its hotels for the beneficiaries of The Eyeless Trust at a cost of £36,935 of which The Eyeless Trust contributed £26,815

20 Post balance sheet events

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