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**THE ROYAL SOCIETY FOR BLIND CHILDREN
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

WEDNESDAY



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COMPANIES HOUSE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

Charity number: 1131623 (England and Wales)

Company number: 05764810 (England and Wales)

Registered Office: 59-61 Sea Lane
Rustington
Littlehampton
West Sussex
BN16 2RQ

Principal Office: Victoria Charity Centre
11 Belgrave Road
London
SW1V 1RB

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

TRUSTEE'S REPORT**FOR THE YEAR ENDED 31 DECEMBER 2015**

Trustees' Report

The trustees present their report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association (last amended 28 February 2014), the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Change of Name, Objectives and Activities

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

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

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

Public Benefit

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

Achievements and Performance

Over the year a total of 216 families received some level of active support from our Family Support Workers (FSWs) as part of the charity's Family Support Service. The level of support ranged from phone calls to check that all was well with the family through to face to face support while a particular issue was being resolved. This included a total of 91 referrals, approximately 20 of which were as a direct result of the charity's promotion events for key professionals which took place across England and Wales in the summer.

The charity's Belmont Hotel in Llandudno was closed in January 2015 and the sale was completed in March 2015. The Bradbury Hotel in East Preston was sold, subject to obtaining planning permission, under an options agreement which could not be completed due to planning consent refusal and was re-marketed in November 2015. A number of bids were received in December 2015 and the sale of the hotel was completed in April 2016. The sale of the two hotels will provide valuable funds to grow the reach of the Family Support Service and support increased numbers of blind and partially sighted children, young people and their families across the country and also to develop the charity's fundraising income base.

The principal sources of fundraising for the charity remain the store collections, legacies, individual giving and grant income from trusts and foundations. 2015 was a development year for fundraising, identifying new income streams to be introduced during 2016. The closure of the hotels has enabled the Society to reduce its cost base significantly allowing it to move to a more financially sustainable model.

In Marketing 2015 has been a year of building our digital infrastructure and increasing our community engagement. This has resulted in a threefold increase in traffic to our website numbering 13,900 hits and a total of 3,000 professionals registered on our database to receive the Society's e-newsletters.

The Association with RLSB continued to provide additional vision impairment expertise to develop further the charity's services and has resulted in developing a leaner and more effective organisational structure.

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

Annual Grants

One beneficiary grant was paid in-year.

TRUSTEE'S REPORT**FOR THE YEAR ENDED 31 DECEMBER 2015**

Financial Review

The results for the year ended 31st December 2015 are shown in the Statement of Financial Activities and in related notes.

Income in the year was £395,126 (2014: £1,099,752) and expenditure was £451,562 (2014: £1,272,119), reflecting the closure of hotel activities at the end of 2014. There was increased expenditure on the Family Support Service (FSS) in 2015, an area which the charity expects to increase its participation in future.

Reserves Policy

The Society's reserves policy is to hold the equivalent to six months' operating costs which equates to approximately £200,000 in free reserves (unrestricted funds not tied into fixed assets). However, at the year end, the charity had negative free reserves of £288,224. It is estimated that it would take six months to reorganise activities should there be unexpected changes in funding streams or in activities undertaken. This has not been achievable in this period but the sale of the Bradbury Hotel should assist in building free reserves towards this target.

Restricted funds at the year-end were £37,503 (2014: £37,003) whilst unrestricted funds stood at £530,310 (2014: £587,246). The unrestricted funds are entirely tied into fixed assets.

Future Plans - Objectives for 2016

The Society plans to:-

- Launch the RSBC brand as the charity focussing on childhood sight loss, poverty and exclusion;
- Complete the sale of the Bradbury Hotel with the proceeds used to invest in our services and develop sustainable income sources for the future;
- Increase the number of professionals nationwide who refer families, children and young people to the service for support
- Increase the number of families supported through the Family Support Service to 250;
- Develop new income streams and increase the number of donors to enable us to meet the increasing needs of families in the future; and
- Increase the number of service referrals from professionals nationwide to meet the needs of more children, young people and their families.

Structure, Governance and Management

The charity is a company limited by guarantee.

The trustees who are also the directors for the purpose of company law, and who served during the year and to the date of signing the financial statements were:-

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

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

The Trustees have overall responsibility for ensuring that:-

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

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

During the year, the charity was led by Chief Executive, Eileen Harding. The Chief Executive is subject to oversight by the Trustees at Board meetings and as otherwise required. Responsibility for planning and day-to-day management of operations and central support is delivered through its partner charity by Association, Royal 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.

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

Risk Management

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

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

Statement of Trustees' Responsibilities

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

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

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

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

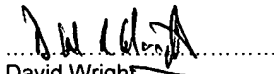
So far as each of the Trustees is aware at the time the report is approved:

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

Auditors

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

On behalf of the board of Trustees



David Wright
Chair

29th April 2016

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of the Royal Society for Blind Children for the year ended 31 December 2015 which comprise the Statement of Financial Activities, 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 2015 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.

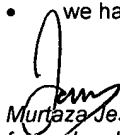
Opinion on other matter prescribed by the Companies Act 2006

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.


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

26 Red Lion Square
London
WC1R 4AG

29 April 2016

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds	Restricted funds	2015 £	2014 £
<u>Income and Endowments from:</u>					
Donations and legacies	2	377,538	500	378,038	392,602
Investment income	3	-	-	-	54
Charitable activities - Discontinued operations	4	-	-	-	687,096
Other		17,088	-	17,088	20,000
Total income		394,626	500	395,126	1,099,752
<u>Expenditure on:</u>					
Raising funds	5	76,698	-	76,698	138,519
Charitable activities:					
Grant funding activity	5	1,500	-	1,500	1,500
Family support service	5	353,146	-	353,146	152,652
Hotel expenditure - Discontinued operations	5	20,218	-	20,218	979,448
Total charitable expenditure		374,864	-	374,684	1,133,600
Total Expenditure		451,562	-	451,562	1,272,119
Net (expenditure)/income before transfers		(56,936)	500	(56,436)	(172,367)
Gross transfers between funds	14	-	-	-	-
Net movement in funds		(56,936)	500	(56,436)	(172,367)
Reconciliation of funds:					
Fund balances at 1 January 2015		587,246	37,003	624,249	796,616
Fund balances at 31st December 2015		530,310	37,503	567,813	624,249

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

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

The accompanying notes form part of these financial statements.

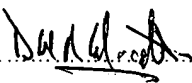
Full comparative figures for the year ended 31 December 2014 are shown in Note 19.

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	9		-		16,944
Tangible assets - Assets held for sale	9		<u>818,534</u>		<u>1,159,304</u>
			818,534		1,176,248
Current assets					
Debtors	10		36,128		312
Cash at bank and in hand			<u>190,650</u>		<u>116,066</u>
			226,778		116,378
Creditors: amounts falling due within one year	11		<u>(477,499)</u>		<u>(168,377)</u>
Net current liabilities			<u>(250,721)</u>		<u>(51,999)</u>
Total assets less current liabilities			567,813		1,124,249
Creditors: amounts falling due after more than one year	12		<u>-</u>		<u>(500,000)</u>
Net assets			<u>567,813</u>		<u>624,249</u>
Income funds					
Restricted funds	14		37,503		37,003
Unrestricted funds			<u>530,310</u>		<u>587,246</u>
			530,310		587,246
Total charity funds			<u>567,813</u>		<u>624,249</u>

The accounts were approved and authorized for issue by the Board on 29th April 2016 and signed on their behalf by:



David Wright

Trustee

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015	2014
Net cash provided by (used in) operating activities	a	<u>(85,848)</u>	<u>(245,053)</u>
Cash flows from investing activities:			
Dividends, interest and rent from investments		-	54
Purchase of Tangible Fixed Assets		-	(639)
Proceeds from sales of Tangible Fixed Assets		360,432	-
Net cash provided by (used in) investing activities		<u>360,432</u>	<u>(585)</u>
Cash flows from financing activities:			
Repayment of borrowing		(200,000)	(167,391)
Cash inflows from new borrowing		-	500,000
Net cash provided by (used in) financing activities		<u>(200,000)</u>	<u>332,609</u>
Change in cash in the reporting period		<u>74,584</u>	<u>86,971</u>
Cash and cash equivalents at the beginning of the period		116,066	29,095
Cash and cash equivalents at the end of the period	b	<u>190,650</u>	<u>116,066</u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2015	2014
a			
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(56,436)	(172,367)
Adjustments for:			
Investment income		-	(54)
Depreciation charges		11,499	60,352
Profit on disposal of fixed assets		(14,217)	-
(Increase)/decrease in Stock		-	5,717
(Increase)/decrease in Debtors		(35,816)	80,758
Increase/(decrease) in Creditors		9,122	(219,459)
Net cash provided by (used in) operating activities		<u>(85,848)</u>	<u>(245,053)</u>
b			
Analysis of cash and cash equivalents			
		2015	2014
		£000	£000
Cash in hand		190,650	116,066
Notice deposits		-	-
Overdraft facility repayable on demand		-	-
		<u>190,650</u>	<u>116,066</u>

The accompanying notes form part of these financial statements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting Policies**1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention.

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. No restatements were required.

Going concern

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

The charity has a loan from its associated charity, the Royal London Society for the Blind (RLSB). As at the year end, arrangements were being made for disposal of its freehold property, the proceeds of which will be applied to repaying 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 Income

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

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

Entitlement - actual receipt or legally enforceable right to receipt;

Probability - probable certainty of receipt; and

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

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (continued)**1.3 Expenditure**

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

Expenditure on raising funds includes general publicity and fundraising events, including both directly attributable costs and estimated proportions of staff and other costs, investment management and similar fees.

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

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

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

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

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

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 capitalized.

1.5 Leasing and other hire purchase commitments

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

1.6 Pensions

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

The charity participates in the Scottish Voluntary Sector Pension Scheme administered by the Pensions Trust, a multi-employee defined benefit scheme that is funded and contracted out of the state pension scheme.

It is not possible in the normal course of events to identify the share of the underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the pension charge recorded in these accounts is the amount of contributions payable on a defined contributions basis, as required by Financial Reporting Standard 102. Further details of the Scheme can be found at note 13.

1.7 Accumulated funds

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

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

1.8 Taxation

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Donations and Legacies

	Unrestricted funds	Restricted funds	2015 £	2014 £
Donations and gifts	377,538	500	378,038	392,602
Grants receivable for core activities	-	-	-	-
	<u>377,538</u>	<u>500</u>	<u>378,038</u>	<u>392,602</u>

Donations and gifts (Unrestricted)

	£	£
Unrestricted funds:		
Donations from Blindcare	5,000	-
Legacies	109,985	84,136
Other fundraising income and donations	262,553	194,943
	<u>377,538</u>	<u>279,079</u>

3 Investment Income

	2015 £	2014 £
Interest receivable	-	54

4 Incoming resources from charitable activities

	2015 £	2014 £
Accommodation and guest income	-	687,096

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Expenditure	Staff Costs	Depreciation	Other Costs	Grant Funding	2015	2014
Expenditure on raising funds						
Fundraising activities	-	-	40,432	-	40,432	117,029
Support Costs	-	-	36,266	-	36,266	21,490
	-	-	76,698	-	76,698	138,519
Expenditure on charitable activities:						
<u>Grant funding activity</u>						
Grant funding of activities	-	-	-	1,500	1,500	1,500
Support Costs	-	-	-	-	-	-
Total	-	-	-	1,500	1,500	1,500
<u>Families Support Service</u>						
Activities undertaken directly	5,267	-	238,419	-	243,686	78,540
Support costs	-	-	94,292	-	94,292	67,820
Governance Costs	-	-	15,168	-	15,168	6,292
	5,267	-	347,879	-	353,146	152,652
<u>Hotel Expenditure</u>						
Activities undertaken directly	-	-	-	-	-	631,429
Support costs	-	11,499	7,034	-	18,533	291,389
Governance Costs	-	-	1,685	-	1,685	56,630
	-	11,499	8,719	-	20,218	979,448
	5,267	11,499	356,598	1,500	374,864	1,133,60
	5,267	11,499	433,296	1,500	451,562	1,272,11

Governance costs includes £10,080 (2014: £11,400) of audit fees and £4,452 (2014: £14,801) of legal and professional fees.

Analysis of support and governance costs

	Support	Governance	Total	Basis of apportionment
Office costs	13,777	725	14,502	Estimated usage
Premises	16,918	890	17,808	Floor area
Audit fees	-	9,600	9,600	Governance
Professional fees	85,870	4,520	90,390	Estimated
Depreciation	11,499	-	11,499	Use
Bank charges and loan interest	21,027	1,118	22,145	Estimated usage
	149,091	16,853	165,944	

6 Grants Payable	Grants to Institutions	Grants to Individuals	2015	2014
Grant funding activity	-	1,500	1,500	1,500

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. No trustee (2014 - none) received reimbursed expenses in the year or made donations to the charity. Trustees insurance in the year was paid as part of the RLSB group policy at a cost of £3,856.

8 Employees

Number of employees	2015 Number	2014 Number
The average monthly number of employees during the year was:		
Hotel management and support staff	-	37
	<hr/>	<hr/>
Employment costs	2015	2014
Wages and salaries		522,627
Social security costs	-	18,362
Other pension costs	-	18,797
Other temporary and self-employed staff costs	5,267	174,528
	<hr/>	<hr/>
	5,267	734,314
	<hr/>	<hr/>
The number of employees whose annual remuneration was £60,000 or more were:	-	-

The total employee benefits of key management personnel of the charity were £nil (2014: £21K)

There were no key management personnel in the year as the activities of the charity were managed under the terms of the Association agreement through RLSB. The key management personnel in 2014 was the Chief Executive from 1 January 2014 to 10 April 2014, as RLSB took over as the sole member in March 2014.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

9	Tangible fixed assets	Freehold land and buildings (Fixed asset for sale)	Leasehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	Cost					
	At 1 January 2015	874,801	353,331	113,903	13,488	1,355,523
	Additions	-	-	-	-	-
	Disposals	-	(353,331)	(113,903)	(13,488)	(480,722)
	At 31 December 2015	874,801	-	-	-	874,801
	Depreciation					
	At 1 January 2015	44,768	24,060	99,538	10,909	179,275
	Charge for period	11,499	-	-	-	11,499
	Disposals	-	(24,060)	(99,538)	(10,909)	(134,507)
	At 31 December 2015	56,267	-	-	-	56,267
	Net book value					
	At 31 December 2015	818,534	-	-	-	818,534
	At 31 December 2014	830,033	329,271	14,365	2,579	1,176,248

The leasehold property was sold during 2015 and the freehold property was sold in April 2016 (see note 17)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Debtors	2015	2014
	£	£
Other debtors	4,871	-
Legacy debtors notified but not yet received	20,000	-
Prepayments and accrued income	11,257	312
	<u>36,128</u>	<u>312</u>
11 Creditors : amounts falling due within one year	2015	2014
	£	£
Other loans (from connected undertaking - see note 12)	300,000	-
Trade creditors	31,335	56,834
Amounts owed to connected undertaking	87,066	-
Taxes and social security	-	11,646
Accruals	-	99,897
	<u>477,499</u>	<u>168,377</u>
12 Creditors : amounts falling due after more than one year	2015	2014
	£	£
Other loans (from connected undertaking)	-	500,000
Analysis of loans		
Wholly repayable within five years by instalments:		
Other loans	300,000	500,000
	<u>300,000</u>	<u>500,000</u>
Included in Creditors - amounts falling due within one year	(300,000)	-
	<u>-</u>	<u>500,000</u>
Debt due in one year or less	300,000	-
In more than one year but not more than two years	-	500,000
	<u>300,000</u>	<u>500,000</u>

In March 2014, the charity obtained a loan of £500,000 from its parent undertaking, the Royal London Society for Blind People (RLSB) which is secured over the freehold property of the charity. During 2015, £200,000 of the loan was repaid and it is envisaged that the rest of the loan will be repaid by the end of 2016. The loan bears interest at 5.5% above Bank of England base rate.

13 Pension and other post-retirement benefit commitments

The charity operates a defined benefit pension scheme providing benefits based on final pensionable earnings and a stakeholder scheme for its employees. The employer contributions payable to the schemes for the period totaled £15,050 (2014: £15,050). Employee contributions payable to the schemes were 15.2% and employee contributions up to 10% (dependent on the rate of employee salary). There were no employees contributing to the Scheme in the year (2014: 1).

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 Society for Blind Children (RSBC) 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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

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

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

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

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 section 38 represents the employer contribution payable.

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

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

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

The Royal Society for Blind Children 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 Society for Blind Children was £611,192.

On 1 October 2009, The Royal Blind Society for the United Kingdom, an unincorporated charity, incorporated to become the Royal Blind Society for the United Kingdom, a company limited by guarantee. Following the incorporation the employees of the unincorporated charity transferred to the newly incorporated charity.

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

The change of the name of the charity to The Royal Society for Blind Children did not create an "Employment-Cessation Event" as the legal structure remained unchanged.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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

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

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

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

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

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

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

The result of the Scheme's triennial valuation undertaken in 2014 and its resultant recovery plan was yet to be made available at the time of the signing of this report.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015
	Balance at 1 January 2015	Incoming resources	Resources expended	Transfers	
Young People's ICT Grants	37,003	-	-	-	37,003
Family Support Service	-	500	-	-	500
	<u>37,003</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>37,503</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 2015 are represented by:			
Tangible fixed assets	818,534	-	818,534
Current assets	189,275	37,503	226,778
Creditors: amounts falling due within one	(477,499)	-	(477,499)
Creditors: amounts falling due after more than one year	-	-	-
	<u>530,310</u>	<u>37,503</u>	<u>567,813</u>

16 Related parties

On 3rd March 2014 The Royal Society Blind Children entered into an association with The Royal London Society for Blind People (RLSB) (charity number 302893) with the RLSB becoming the sole member of the charity.

RLSB provided a loan to RBS (see Note 12 for details).

The balance at the yearend was £300,000 (2014: £500,000).

17 Post balance sheet event

The Bradbury Hotel, the charity's freehold property, was sold in April 2016 for £985,000. The net book value of the property at 31 December 2015 was £818,534.

18 Corporation tax

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Comparative statement of financial activities (2014)

	Notes	Unrestricted funds	Restricted funds	2014 Total £
<u>Income and Endowments from:</u>				
Donations and legacies	2	279,079	113,523	392,602
Investment income	3	54	-	54
		279,133	113,523	392,656
Charitable activities - Discontinued operations	4	687,096	-	687,096
Other		20,000	-	20,000
Total income		986,229	113,523	1,099,752
<u>Expenditure on:</u>				
Raising funds	5	138,519	-	138,519
Charitable activities:				
Grant funding activity	5	1,500	-	1,500
Family support service	5	22,519	130,133	152,652
Hotel expenditure - Discontinued operations	5	979,448	-	979,448
Total charitable expenditure		1,003,467	130,133	1,133,600
Total Expenditure		1,141,986	130,133	1,272,119
Net(expenditure)/income before transfers		(155,757)	(16,610)	(172,367)
Gross transfers between funds	14	(6,438)	6,438	-
Net movement in funds		(162,195)	(10,172)	(172,367)
Reconciliation of funds:				
Fund balances at 1 January 2015		749,441	47,175	796,616
Fund balances at 31st December 2015		587,246	37,003	624,249