

**YEAR ENDED**

31<sup>ST</sup> December 2013

**RLSB**

Royal London Society for Blind People

# TRUSTEES' REPORT & ACCOUNTS



**LIFE  
WITHOUT  
LIMITS  
FOR BLIND  
YOUNG  
PEOPLE**

**RLSB**

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Registered Charity Number: 307892

## **WELCOME TO THE RLSB'S ANNUAL REPORT AND ACCOUNTS 2013**

### **INTRODUCING RLSB**

For a little over 175 years The Royal London Society for Blind People (RLSB) has been educating and supporting blind and partially sighted children and young people (BPS CYP). Our founder Thomas Lucas set up a school to teach blind children to read in 1838. Nearly two centuries later his vision lives on through the work of our team of 21<sup>st</sup> century specialist practitioners working across a range of services including early years, further education and independence skills, whose work is shaped by world-class child educationalists, psychologists and ophthalmologists.

### **OUR MISSION**

RLSB believes that every blind young person should have the chance to live life without limits and works with vision impaired young people and their families, to help them build the self-belief and confidence to actively engage in modern society.

In 2010 RLSB published "Stepping Up" its strategy for the next 10 years, focusing on the needs of vision impaired young people. It required RLSB to transform from a fixed-location, high fixed-cost organisation to one that could deliver a range of tailored services supporting the emotional well-being of the young person, in local communities. It called for RLSB to extend its reach and to work collaboratively with like-minded organisations to enable vision impaired young people to enjoy the same opportunities as their sighted peers.

### **Objects & Policies**

The Society believes that active participation in society is dependent on the individual's ability to make and retain positive relationships with others. For this reason the Society focuses its efforts in the areas of education and emotional support in an environment that challenges the individual.

RLSB aspires to bring about a change that allows BPS CYP, and those on a journey within their community, to achieve as much as their sighted peers do in their life-chances.

We regard the well-being and protection of all our children, young people, adults, staff and visitors from the wider community as a key priority.

In setting their objectives the Trustees have considered the Charity Commission's general guidance on public benefit.

## **REVIEW OF 2013**

### **Moving from Dorton House**

Central to achieving our objectives in "Stepping Up" was moving from our fixed site at Dorton House, Sevenoaks to focus on delivering community based services. In August 2013 Dorton House was sold. RLSB has maintained a presence on site in the form of its main nursery, parent and toddler group and administration centre.

RLSB has used part of the proceeds to address its defined benefit pension scheme deficit and to rebuild its reserves. It also plans to invest a substantial portion of the money back into the organisation to continue the development and expansion of its community services and broaden the base of its long term fundraising income.

### **Our achievements**

Year on year RLSB is reaching more young people across London and the South East. Last year over 1,200 participated across our programmes and we expect that figure to be closer to 2,000 in 2014.

Our Fundraising team raised £1,248,445 (excluding legacies); legacies in 2013 raised a further £1,108,592 for the Society.

The Trustees and I would like to extend our gratitude to all of the donors and organisations who have been so generous. Their support has allowed us to serve more blind young people and their families than we have done for a generation.

### **Royal Blind Society**

On 3 March 2014 RLSB agreed to form an association with the Royal Blind Society (RBSoc) to better serve the needs of vision impaired children and young people and their families in England and Wales.

Together, RLSB and RBSoc represent two dedicated, expert organisations with common values and a shared vision of how we can provide world class post diagnosis provision and development opportunities to children and young people living with sight loss.

## **OUR SERVICES**

### **Dorton College**

In September 2013 our specialist college provision relocated to Bromley where we have partnered with Bromley College. Our students are now living in properties locally where they can access community activities as well as having the support to develop the life skills they will need for the future. Our belief was that young people should continue their learning whilst living in the community alongside their fellow non-disabled colleagues. We are happy to report that the pilot has proved successful and we are now planning to increase the 6 students we supported this year to 30 over the next three years.

## **Sports**

Our sports programme expanded in 2013. With funding from Sport England, our "Sports without Limits: Active", project successfully recruited 43 people in just three months. The three years, capital-wide programme aims to support 150 vision impaired young people in regular physical activity.

Our "Sports without Limits: Play", which hosts Saturday sports clubs, school holiday clubs and residential breaks, had over 250 participants across the project.

## **Early Years**

In 2013 we focused on expanding the reach and content of our Early Years provision. We helped over 50 children and their families and opened a new Parent & Toddler group in Newham, as well as delivering a number of parenting workshops.

Our hospital based services provided support for 96 individuals through 159 interventions.

## **Employability**

Securing employment continues to be difficult for many vision impaired young people. Our work on employability, which seeks to support young people to gain the skills for employment, reached over 60 participants.

## **Independent Living**

Social and peer groups continue to support vision impaired children and young people to develop new friendships, gain skills and experiences and to grow in confidence. In 2013 185 people participated in our groups. The Corporate Fundraising team secured funding for a new group to be set up in West London, the first we have operated in this area.

## **Fundraising and Communications**

The Marketing team marked RLSB's 175<sup>th</sup> anniversary in 2013 and created a valuable digital archive of artefacts, pictures and stories from our rich history. The Communications team supported the establishment of the RLSB Youth Forum, a body of vision impaired young people campaigning for change in areas that most directly affect their lives. The forum had two major successes namely the creation of a Youth Manifesto and the "Future Exchange" event, the first ever youth conference for vision impaired young people which was attended by 50 young people.

## **Organisational news**

The Council of Trustees meets on a quarterly basis and is supported by regular meetings of various committees covering finance & risk, property, education and remuneration and appointments.

This year saw changes in the make-up for the Council. The following Trustees retired from their position.

- Allan Mabert
- Colin Milne CA
- Clancy Schueppert BSc MBA
- Jeremy Blandford
- Ron Edghill

Dr David Wright MBE retired as a Trustee but continued in his role as Company Secretary.

I would like to thank them for the incredible hard work and stewardship they have provided to RLSB during their time with us. They have helped guide us through an eventful part of our history.

Ms Shalni Sood joined the Council in February 2013. She qualified as a Chartered Accountant with KPMG in London in 1996 and then worked in Investment Banking (Mergers & Acquisitions) for Hambros Bank and for Schroders.

The recruitment process for Trustees continues to positively encourage a more diverse profile. A number of different recruitment sources are continually sought to seek balance in skills and diversity.

New trustees undertake an induction training programme which includes visits with beneficiaries and key staff. Each Trustee is provided with a detailed induction pack.

In May 2014 we received the sad news of the death of Brian H Pearce CBE, Vice-President and former Chairman of the Society.

## **Risk Review**

The risk register is updated on a quarterly basis. The Board notes the following specific high level risks for 2014 and highlights the actions to address those risks:

- The Society recognises beneficiary need but faces an untested market for its services. Feedback from commissioners and funders is extremely encouraging and activities continue to raise awareness of the needs of BPS CYP.
- The Society recognises that our new community services need to be high quality and deliver impact in terms of wellbeing and we are developing effective ways of measuring this.
- Our income targets are challenging and our rate of strategy implementation dependent on them being achieved. We continue to promote our brand to gain more prompted and unprompted awareness.
- The Society recognises that our capacity and capability to deliver impact is dependent on value-driven, well-trained staff and volunteers and it further recognises that motivation through training and development will improve outcomes delivered to all our customers.

- Communication with all stakeholders is critical in this period of transition and an engagement strategy is implemented and reviewed regularly to ensure our beneficiaries, donors, commissioners, staff, volunteers, delivery partners, and suppliers are kept up to date with our change programme.
- The Society has robust Health and Safety and Safeguarding programmes where risks, policies and procedures are regularly reviewed and appropriate changes made. The Trustees are satisfied its insurable risks are sufficient and proper but continue to review all environmental risks accordingly.

## **LOOKING TO THE FUTURE**

2013 was one of the most significant years in our 175 year history. The organisation has transformed itself since "Stepping Up" was published in 2010. It is now an organisation with a renewed focus on the needs of blind and partially sighted children, young people and their families.

With an estimated population of more than 7,000 children and young people in our region who are affected by sight loss, the demand for our services will continue to grow. Our driver during 2014 will be to continue to increase our fundraising to ensure that we are best placed to support those who would benefit from our services. None of these things would be possible without the hard work and commitment of our staff, volunteers, donors, funders and sector colleagues. On behalf of all the Trustees I would like to say a most sincere thank you for all their incredible support.



Ian Stephenson OBE, BSc, MSc  
Chair of Trustees  
RLSB

## **RLSB GOVERNANCE AND STRUCTURE**

This document sets out the Trustees' Report and accounts for RLSB for the year ending on the 31 December 2013. This is done under the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice.

### **Patron**

Her Royal Highness the Duchess of Gloucester GCVO GCStJ

### **President**

Rt. Hon. Michael Fallon MP

### **Vice Presidents**

Harry O'Neill

Mike Uren OBE

### **Ambassadors**

Jayne Torvill OBE

Anne Fine OBE FRSL

Sir Richard Stilgoe OBE

Ben Quilter

Darren Leach

Melissa Reid

Martin Freeman

Anita Dobson

### **Members of the Council**

Chairman of the Society: Ian Stephenson OBE, BSc, MSc

Honorary Secretary: Dr David Wright MBE, LL.D, FCIS

Honorary Treasurer: Paul Obey BSc, ACA

### **Trustees**

Michael Brignall MA

Victoria Cleland

Ian Godwin BSc

Ray Hart BSc, MBA

Viv Lawrence

Val May BA

Shalni Sood BSc ACA

Jonathan Wilson

### **Company Secretary**

Dr David Wright MBE, LL.D, FCIS

### **Chief Executive**

Dr Tom Pey MA, FCMA, DBS

### **Executive Directors**

Florence Orban

Sue Sharp

Mark Webster

Eileen Harding (Assistant Company Secretary)

### **LEGAL AND ADMINISTRATION INFORMATION**

RLSB is the working name of The Royal London Society for Blind People. RLSB was founded in 1838. It is a charitable company limited by guarantee (Company No. 139928), incorporated on 12 April 1915 with Memorandum and Articles of Association (last amended 27 March 2006), and registered as a charity on 25 April 1963 (Charity No. 307892). The registered and principal office is Seal Drive, Seal, Nr Sevenoaks, TN15 0AH. RLSB has a subsidiary trading company, RLSB Enterprises Ltd (registration number 05757769), incorporated 27<sup>th</sup> March 2006.

### **PRIORITIES & PROGRESS IN 2014**

2014 is the year RLSB emerges from a long period of transformational change. Our overriding priority for the next twelve months will focus on repairing the fabric of RLSB through the following objectives.

### **FINANCIAL ACTIVITIES AND RESULTS**

The main financial event in 2013 was the closure of the Societies main school and subsequent sale of the Dorton site. The gross sale proceeds were £11.35m which after deducting the net book value of the property and associated selling costs generated a one off net gain of £4.3m. Of the regular income, a primary source to the Society in 2013 is from fees and charges from local authorities and the Education Funding Agency (EFA) of £1.4m relating to education. This is a significant reduction on the previous year when income was £2.2m, largely a due to lower student numbers at both the school and the further education college and the closure of the main school in July 2013. Fundraising with total income for the year of £2.4m, was slightly less than last year (£2.5m), however within this legacies showed a decrease of £0.4m, which demonstrates yet again the extremely variable and unpredictable nature of legacies.

During the year, the society made a one off payment of £5.2m to RLSB's Defined Benefits Pension Scheme, which was closed in 2001. This has been accounted for in accordance with FRS17 and has resulted in an unrecognised pension asset of £3.5m (Note 18).

The percentage of total expenditure spent on direct charitable activities was 78% (2012: 77%).

The trading company, RLSB Enterprises Ltd, continued activities through to July 2013 which have been consolidated within the accounts. The trading profit for RLSB Enterprises Ltd, as at 31st December 2013 was £3k (2012 £1k); all profits of the trading company will be covenanted back to the RLSB.

### **Investment Powers, Policy and Performance**

Through its advisors, Heartwood Wealth Management, the Society invests available money in an investment portfolio in furtherance of its objects. The financial performance has resulted in a net gain in the portfolio of £16,000 (2012 resulted in realised and unrealised gains of £81,000). Income derived from the portfolio during the year was £9,000 (2012: £13,000). The most of the Society's remaining investments were sold during 2013.

### **Reserves Policy**

The Council considers that the Society needs to hold reserves to protect core activities in the event of income shortfall and to promote balanced long-term, strategic planning and has decided to include the pension fund deficit in the calculation to demonstrate its commitment to eliminate the deficit within seven years. At 31st December 2013, the free reserves, after pension fund deficit was £4.0m, equivalent to 33.5 weeks' unrestricted operational expenditure. The reserves policy of the Council is to maintain free reserves equivalent to a minimum of 15 weeks' expenditure.

### **AUDITORS**

A resolution proposing the reappointment of Haysmacintyre as auditors to the company will be put to the Annual General meeting.

Approved by the Trustees and signed on 6 June 2014 on their behalf by:



**Ian Stephenson, Chairman of Trustees**



**Dr Tom Pey, Chief Executive**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE**

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

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, 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. 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial; and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 December 2013 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.
-

**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 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.



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

**26 Red Lion Square  
London  
WC1R 4AG**

..... 6 June 2014 .....

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the Year ended 31 December 2013

	Note	Unrestricted Funds £000	Restricted Funds £000	2013 £000	2012 £000
<b>INCOMING RESOURCES FROM GENERATED FUNDS</b>					
<b>Charitable Activities</b>					
Fees		1,439	0	1,439	2,431
Grants		135	0	135	150
Other Income		129	0	129	0
		<u>1,703</u>	<u>-</u>	<u>1,703</u>	<u>2,581</u>
<b>Investment income</b>	2	9	0	9	12
<b>Fundraising Income</b>					
Donations and gifts		888	360	1,248	1,169
Legacies		991	118	1,109	1,522
		<u>1,879</u>	<u>478</u>	<u>2,357</u>	<u>2,691</u>
<b>Trading Income</b>		132	0	132	138
<b>Other incoming resources</b>	3	4,306	0	4,306	110
<b>Total incoming resources</b>		<u>8,029</u>	<u>478</u>	<u>8,507</u>	<u>5,532</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of Generating Funds</b>					
Fund-raising costs		1,225	0	1,225	1,185
Trading Expenses		129	0	129	137
<b>Net incoming (outgoing) resources available for charitable application</b>		<b>6,675</b>	<b>478</b>	<b>7,153</b>	<b>4,210</b>
<b>Charitable activities</b>					
Education and training		2,932	350	3,282	3,578
Community Services		1,444	75	1,519	2,331
Governance Costs		209	0	209	190
<b>Total charitable expenditure</b>		<u>4,585</u>	<u>425</u>	<u>5,010</u>	<u>6,099</u>
<b>Total Resources Expended</b>	4	<u>5,939</u>	<u>425</u>	<u>6,364</u>	<u>7,421</u>
<b>NET INCOMING (OUTGOING) RESOURCES</b>					
		<b>2,090</b>	<b>53</b>	<b>2,143</b>	<b>( 1,889)</b>
Investment gains / (losses)		( 7)	0	( 7)	83
Actuarial gain/(loss) on pension scheme	17	( 581)	0	( 581)	( 126)
Unrecognised pension scheme asset	17	<u>( 3,489)</u>	<u>0</u>	<u>( 3,489)</u>	<u>0</u>
<b>Net movement in funds for period</b>	8	<b>( 1,987)</b>	<b>53</b>	<b>( 1,934)</b>	<b>( 1,932)</b>
Fund balances at 31 December 2012		5,751	188	5,939	7,871
<b>Fund balances at 31 December 2013</b>		<u>3,764</u>	<u>241</u>	<u>4,005</u>	<u>5,939</u>

All recognised gains and losses are included in the Statement of Financial Activities.

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

**THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE**

Company No: 139928

**Group & Charity Balance Sheet as at 31 December 2013**

	Note	Group 2013 £000	Charity 2013 £000	Group 2012 £000	Charity 2012 £000
<b>Fixed assets</b>					
Tangible assets	9	248	248	6,538	6,538
Investments	11	2,450	2,365	180	97
		<u>2,698</u>	<u>2,613</u>	<u>6,718</u>	<u>6,635</u>
<b>Current assets</b>					
Debtors	12	278	277	446	502
Bank balances		1,635	1,615	832	713
		<u>1,913</u>	<u>1,892</u>	<u>1,278</u>	<u>1,215</u>
<b>Creditors</b>					
Amounts falling due within one year	13	( 606)	( 601)	( 1,119)	( 1,082)
		<u>1,307</u>	<u>1,291</u>	<u>159</u>	<u>133</u>
<b>Net current assets</b>					
		4,005	3,904	6,877	6,768
<b>Net assets excluding pension scheme deficit</b>					
Pension scheme deficit	17	0	0	( 938)	( 938)
		<u>4,005</u>	<u>3,904</u>	<u>5,939</u>	<u>5,830</u>
<b>Net assets</b>					
<b>Restricted funds</b>					
Permanent endowment funds	13	25	25	25	25
Other funds	13	216	216	163	163
		<u>241</u>	<u>241</u>	<u>188</u>	<u>188</u>
<b>Unrestricted Funds</b>					
General Fund excluding pension scheme deficit		3,764	3,663	6,689	6,580
Pension scheme deficit		0	0	( 938)	( 938)
General Fund after recognising pension scheme deficit		<u>3,764</u>	<u>3,663</u>	<u>5,751</u>	<u>5,642</u>
		<u>4,005</u>	<u>3,904</u>	<u>5,939</u>	<u>5,830</u>
<b>Total reserves</b>					

The financial statements were approved by, and signed on behalf of, Council on 6 June 2014

  
Ian Stephenson, Chairman

  
Paul Obey, Treasurer

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## Consolidated Cashflow Statement for the year ended 31 December 2013

	Note	2013 £000	2012 £000
<b>Net cash inflow/(outflow) from operating activities</b>	a	( 2,308)	( 1,744)
<b>Returns on investments and servicing of finance</b>			
Investment income received		9	12
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		( 157)	( 89)
Receipts from sales of tangible fixed assets		10,730	0
Purchase of investments		( 2,325)	( 1,242)
Sale of investments		54	3,148
Pension Scheme contributions		( 5,200)	0
		<u>3,102</u>	<u>1,817</u>
<b>Increase / (Decrease) in cash in the period</b>	b	<u>803</u>	<u>85</u>

### NOTES TO THE CASHFLOW STATEMENT

	2013 £000	2012 £000
<b>a Reconciliation of net incoming resources for the year to net cash inflow from operating activities</b>		
Net incoming/(outgoing) resources for the year	2,143	( 1,889)
Adjustment to exclude investment income	( 9)	( 12)
Adjustment to exclude unrealised investment loss	( 7)	0
Depreciation charges	273	365
Profit on disposal of Assets	( 4,556)	0
Net pension scheme movements	192	( 8)
(Increase)/decrease in debtors	169	149
Increase/(decrease) in creditors	( 513)	( 349)
<b>Net cash inflow/ (outflow) from operating activities</b>	<u>( 2,308)</u>	<u>( 1,744)</u>
<b>b Reconciliation of movement in cash balances to cash at bank and in hand</b>		
Bank balances at 31 December 2012	832	747
Increase / (Decrease) in cash	803	85
Bank balances at 31 December 2013	<u>1,635</u>	<u>832</u>

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year are set out below:

#### **Basis of Accounting**

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 applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005 and the Companies Act 2006.

#### **Group Accounts**

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings:-

RLSB Enterprises Ltd

Blind Independence Greenwich

No separate SOFA has been presented for the Charity alone, as permitted by paragraph 397 of the SORP. The Charity's incoming resources, excluding the subsidiary company, was £8,332,000 (2012: £5,208,000), resources expended £5,997,000 (2012: £7,226,000) and net incoming resources £2,335,000 (2012: £2,018,000 outgoing).

#### **Legacies, Donations and Gifts**

Legacies, donations and gifts are recognised when receivable or it becomes reasonably certain that they will be received and the value can be measured with sufficient reliability. Gifts in kind are included in the accounts at an estimate of their gross value.

#### **Other Incoming Resources**

Fees and workshop revenue receivable are accounted for in the period in which the service is provided. Grants are recognised when receivable. Investment income is accounted for as it accrues.

#### **Resources Expended**

Resources expended are accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Central (support) costs which cannot be directly allocated are apportioned across cost categories on the basis of total expenditure which will indirectly relate to volume of transactions, floor area and useage.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be directly allocated to such activities together with an allocation of support costs.

Costs of generating funds comprise those costs associated with attracting voluntary income together with an allocation of support costs.

Governance costs comprise direct costs for the statutory and governance expenditure of the charity together with an allocation of support costs.

#### **Tangible Fixed Assets**

Tangible fixed assets are stated at cost.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives on a straight line basis over the following periods:

Freehold land	None Provided
Freehold buildings	50 years
Fixtures & Fittings	5 - 20 years
Machinery, tools and equipment	2 - 10 years
Motor vehicles	5 years

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### **Investments**

Listed investments are stated at the market value at the balance sheet date. Unrealised gains and losses on investments are held in the balance sheet during the year but transferred to the appropriate fund at the year end. Realised gains and losses on sales during the year are taken to the relevant fund, as shown in the Statement of

### **Stock and work in progress**

Stocks of materials and work in progress are included at the lower of cost or net realisable value.

### **Pension costs**

The Society operates a pension scheme in the UK with both defined benefit and defined contribution sections. In addition, contributions are made to the Teachers Superannuation Scheme at rates set by the scheme actuary and advised to the Trustees by the Scheme Administrator.

For the purposes of complying with the relevant accounting standard, the Teachers' Superannuation Scheme is accounted for as a defined contribution scheme as the Society is not responsible for or entitled to receive benefit for any surplus or deficit on the scheme. The amounts included within the statement of financial activities are in accordance with the requirements of Financial Reporting Standard 17: Retirement Benefits ("FRS 17") with the pension cost charged being the amount of contributions payable in respect of the accounting period.

In respect of the defined contributions section of the Society operated defined contribution scheme, the pension cost charged to the profit and loss account is the amount of contributions payable in respect of the accounting

### **Funds**

Restricted funds are subject to specific conditions imposed by the donors or grant making bodies or monies raised in response to a specific appeal.

### **Permanent endowment funds**

The capital of such funds must be held in perpetuity.

### **Value Added Tax**

Expenditure subject to VAT, which is not recoverable by the RLSB, is shown inclusive of VAT. All other expenditure is shown exclusive of VAT.

### **Leases**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 2 INVESTMENT INCOME

	2013 £000	2012 £000
Income from UK listed investments	6	8
Interest received on UK cash deposits	3	4
	<u>9</u>	<u>12</u>

### 3 OTHER INCOMING RESOURCES

	£000
Gross consideration	11,350
Net book value of assets disposed of	( 6,175)
Disposal costs	( 619)
Capital grant repayment	( 250)
Profit on Disposal	<u>4,306</u>

On 5 August 2013 the Society completed the sale of its Sevoaks site including all its buildings, fixtures & fitting for a gross consideration of £11,350,000. Included in the costs of disposal was the repayment of a capital grant of £250,000

### 4 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Basis of Allocation	Cost of				Total 2013 £000	2012 £000
		Generating Funds £000	Education & Training £000	Communit y Services £000	Governance Costs £000		
Costs directly allocated to activities							
Staff Costs	Direct	525	1,301	367	-	2,192	3,042
Service Costs	Direct	376	191	105	-	672	622
Accommodation expenditure	Direct	-	-	-	-	-	137
Service administration costs	Direct	-	-	-	-	-	-
Audit fees	Direct	-	-	-	22	22	22
Depreciation	Direct	-	273	-	-	273	296
<b>Total direct costs</b>		<b>901</b>	<b>1,765</b>	<b>472</b>	<b>22</b>	<b>3,159</b>	<b>4,119</b>
<b>Support Costs allocated to activities</b>							
Premises	Floor area	50	572	100	-	722	902
Hospitality catering & cleaning	Useage	-	129	-	-	129	137
Finance and administration	Total expenditure	104	248	475	75	902	755
ICT & communications	Total expenditure	13	88	39	10	150	165
Marketing	Total expenditure	62	92	154	30	338	473
Research & Development	Total expenditure	27	41	68	12	148	150
Human Resources services	Total expenditure	68	477	211	60	816	652
Depreciation	Total expenditure	-	-	-	-	-	69
<b>Total Resources Expended</b>		<b>1,225</b>	<b>3,412</b>	<b>1,519</b>	<b>209</b>	<b>6,364</b>	<b>7,421</b>

Support costs relating to central services including management and administration have been allocated over the service areas by way of total expenditure which will indirectly relate to volume of transactions, floor area and usage. Governance costs are re-allocations based on a portion of salary costs of senior staff plus the cost of audit services.

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 5 LEASE COMMITMENTS

At 31 December 2013 the RLSB had annual commitments under non-cancellable operating leases of:

	<u>Land and buildings</u>		<u>Other</u>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Operating leases which expire:				
in less than one year	0	0	4	0
between one to five years	164	35	0	14
after five years	0	96	0	0
	<u>164</u>	<u>131</u>	<u>4</u>	<u>14</u>

### 6 EMPLOYEES

The average number of employees of the RLSB and their activities on behalf of the RLSB was:

	<b>2013</b>	<b>2012</b>
	<b>No. FTE</b>	<b>No. FTE</b>
Education and training	52	76
Workshop and placement schemes	13	11
Support to direct charitable activities	29	31
Fundraising	13	14
Management and administration	4	4
	<u>111</u>	<u>136</u>
	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Staff costs comprise:		
Wages and salaries	3,191	4,037
Social Security contributions	331	349
Other pension costs	123	113
Additional pension costs (see note below)	37	39
Other pension scheme movements	-	126
	<u>3,682</u>	<u>4,664</u>

Additional pension costs relate to additional contributions and all amounts are to fund the deficit in the defined benefit final salary scheme (see also Note 17).

The number of employees whose gross pay and value of benefits during their employment within the last 12 months was at a rate in excess of £60,000 pa is:

	<b>2013</b>	<b>2,012</b>
£60,001 to £70,000	2	2
£70,001 to £80,000	3	4
£80,001 to £90,000	0	1
£120,000 to £130,000	1	0
£130,000 to £140,000	<u>0</u>	<u>1</u>

One of the higher paid employees were members of the Teachers' Pension Scheme and five were members of the Prudential money purchase scheme.

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 7 TRUSTEES

No Council member received any remuneration from the RLSB during the year. There were no expenses incurred by Council members whilst on RLSB activities. No member sought reimbursement for expenses in the previous financial year 2012.

### 8 NET MOVEMENT IN FUNDS

The net movement in funds for the year is stated after charging:

		<b>2013</b>	<b>2012</b>
		<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets		273	365
Staff costs		3,682	4,664
Auditors' remuneration:	Audit services	22	22
	Non-audit services	6	1
		<hr/>	<hr/>

### 9 TANGIBLE FIXED ASSETS

	Freehold properties £000	Fixtures and Fittings £000	Machinery tools and equipment £000	Motor vehicles £000	Total £000
<b>COST</b>					
At 1 January 2013	10,545	1,508	4,530	439	17,022
Additions	0	96	61	0	157
Disposals	(10,488)	(1,486)	(4,436)	(389)	(16,799)
At 31 December 2013	<hr/> 57	<hr/> 118	<hr/> 155	<hr/> 50	<hr/> 380
<b>DEPRECIATION</b>					
At 1 January 2013	4,986	714	4,394	390	10,484
Charge for the year	140	101	14	18	273
On disposals	(5,126)	(777)	(4,346)	(376)	(10,625)
At 31 December 2013	<hr/> 0	<hr/> 38	<hr/> 62	<hr/> 32	<hr/> 132
<b>NET BOOK VALUES</b>					
At 31 December 2013	<hr/> 57	<hr/> 80	<hr/> 93	<hr/> 18	<hr/> 248
At 31 December 2012	<hr/> 5,559	<hr/> 794	<hr/> 136	<hr/> 49	<hr/> 6,538

All fixed assets are held for the purposes of the RLSB's activities and none for investment purposes

### 10 CAPITAL COMMITMENTS

At 31 December 2013 the RLSB had committed capital expenditure of £Nil (31 December 2012: £N)

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 11 INVESTMENTS

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Market value at 31 December 2012	180	2,114
Additions / realised gain	2,325	1,203
Opening market value of disposals	(62)	(3,148)
Unrealised investment gains	7	11
Market value at 31 December 2013 (see note 11a)	<u>2,450</u>	<u>180</u>
Cost	<u>2,350</u>	<u>61</u>
Investments comprise the following:		
UK Listed investments	2,447	179
Cash deposits	3	1
	<u>2,450</u>	<u>180</u>

#### a) Trading Subsidiary

RLSB Enterprises Ltd was incorporated on 27 March 2006 and commenced trading on 1 April 2006. The accounting period is 1 January to 31 December which mirrors that of the Society.

Figures for the trading subsidiary are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Turnover	132	138
Total expenditure	(65)	(137)
Net profit	<u>67</u>	<u>1</u>
Amount gift aided to RLSB	67	1
Retained revenue reserves	<u>0</u>	<u>0</u>
Share capital held by RLSB	<u>-</u>	<u>-</u>

### 12 DEBTORS AND PREPAYMENTS

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	35	35	153	152
Other debtors and prepayments	73	73	222	280
Accrued income	170	169	71	70
	<u>278</u>	<u>277</u>	<u>446</u>	<u>502</u>

At the year end the Society was due a number of legacies. The amounts due could not be accurately quantified and the receipt was not reasonably certain. A reasonable estimate of the total amount due would be £471,400 (2012: £192,850) but these have not been brought into the accounts.

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 13 CREDITORS - amounts falling due within one year

	Group 2013 £000	Charity 2013 £000	Group 2012 £000	Charity 2012 £000
Trade creditors	224	224	200	198
Accrued expenditure	118	117	180	161
Other taxes and social security costs	61	61	92	92
Deferred income	186	186	614	614
Other creditors	17	13	33	17
	<b>606</b>	601	<b>1,119</b>	1,082

### 14 RESTRICTED FUNDS

	31 Dec 2012 £000	Incoming resources £000	Expenditur e & Losses £000	Transfers £000	31 Dec 2013 £000
<b>Permanent endowment funds</b>					
Fox Musical Scholarship Fund	25	0	0	0	25
	<b>25</b>	0	0	0	25
<b>Other funds</b>					
Employment and Adult Services	37	83	(75)	(3)	42
School Equipment & Buildings	12	0	(8)	0	4
BJC Nursery	78	25	(40)	0	63
College Refurbishment & Grounds	11	97	(106)	0	2
Therapies	1	0	0	0	1
Milton Margai School	4	0	0	0	4
Estates	7	0	(7)	0	0
Children & Young People	9	273	(189)	3	96
Others	4	0	0	0	4
	<b>163</b>	478	(425)	0	216
	<b>188</b>	478	(425)	0	241

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 15 LIABILITY OF MEMBERS

The RLSB is a company limited by guarantee and has no share capital. The liability of the members of the RLSB is limited to £1 per member.

### 16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £000	Restricted funds £000	Permanent Endowment Funds £000	Total £000
<b>Fixed Assets</b>				
Tangible assets	248	0	0	248
Investments	2,425	0	25	2,450
	<u>2,673</u>	<u>0</u>	<u>25</u>	<u>2,698</u>
<b>Current Assets</b>				
Debtors	278	0	0	278
Bank balances	1,419	216	0	1,635
	<u>1,697</u>	<u>216</u>	<u>0</u>	<u>1,913</u>
<b>Creditors</b>				
Amounts falling due within one year	606	0	0	606
	<u>1,091</u>	<u>216</u>	<u>0</u>	<u>1,307</u>
<b>Net Current Assets</b>				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Pension scheme deficit</b>				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS</b>	<u>3,764</u>	<u>216</u>	<u>25</u>	<u>4,005</u>

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION SCHEMES

The Society sponsors a UK defined benefit pension plan whereby benefits are determined with reference to an employee's final salary.

The pension expense charged to the profit and loss account makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are instead recognised in the Statement of Total Recognised Gains and Losses (STRGL) in the year that they occur. The measurement of the defined benefit obligation includes no allowance for any future discretionary increases to pensions in payment.

The Society operates a defined benefit pension plan for its employees. (The current practice of increasing pensions in line with inflation is included in the measurement of the defined benefit obligation).

	<b>2013</b>	<b>2012</b>
	<b>£ 000s</b>	<b>£ 000s</b>
<b>Change in benefit obligation</b>		
Benefit obligation at beginning of year	13,030	12,428
Current service cost	224	0
Interest cost	588	584
Membership contributions	0	0
Past service cost	0	0
Actuarial (gains)/losses	(273)	537
Liabilities assumed in a business combination	0	0
Losses/(gains) on curtailments	0	0
Benefits paid	(490)	(519)
Expenses paid	(224)	0
Benefit obligation at end of year	<u>12,855</u>	<u>13,030</u>

	<b>2013</b>	<b>2012</b>
	<b>£ 000s</b>	<b>£ 000s</b>
<b>Analysis of defined benefit obligation</b>		
Plans that are wholly or partly funded	16,344	12,092
Plans that are wholly unfunded	<u>0</u>	<u>0</u>
Total defined benefit obligation	<u>16,344</u>	<u>12,092</u>

	<b>2013</b>	<b>2012</b>
	<b>£ 000s</b>	<b>£ 000s</b>
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	12,092	11,499
Expected return on plan assets	620	516
Actuarial gains/(losses)	(854)	411
Assets acquired in a business combination	0	0
Assets distributed on settlements	0	0
Employer contributions	5,200	185
Benefits paid	(490)	(519)
Expenses paid	(224)	0
	<u>16,344</u>	<u>12,092</u>

	<b>2013</b>	<b>2012</b>
	<b>£ 000s</b>	<b>£ 000s</b>
<b>Amounts recognised in the balance sheet</b>		
Present value of wholly or partly funded obligations	12,855	13,030
Fair value of plan assets	<u>16,344</u>	<u>12,092</u>
Recoverable surplus/(deficit) in scheme	(3,489)	938
Effect of asset limit	<u>3,489</u>	<u>0</u>
Net liability / (asset)	<u>0</u>	<u>938</u>

<b>Amounts in the balance sheet</b>		
Liabilities	0	938
Assets	<u>0</u>	<u>0</u>
Net liability / (asset)	<u>0</u>	<u>938</u>

Although the FRS 17 calculations at 31 December 2013 showed a net surplus, it is the opinion of the Trustees that in reality this pension surplus will not be recoverable in the future. Therefore, the net surplus has not been recognised as an asset in the Balance Sheet at 31 December 2013.

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

	2013 £ 000s	2012 £ 000s
<b>Components of pension cost</b>		
Current service cost	224	0
Interest Cost	588	584
Expected return on plan assets	(620)	(516)
Past service cost	0	0
Effect of curtailments or settlements	0	0
	<u>192</u>	<u>68</u>
Actuarial (gains)/losses immediately recognised	581	126
Effect of surplus cap	3,489	0
Total pension cost recognised in the STRGL	<u>4,070</u>	<u>126</u>

Cumulative amount of actuarial (gains)/losses immediately recognised at the beginning of the year	1,256	1,131
Actuarial (gains)/losses immediately recognised during year	<u>581</u>	<u>125</u>
Cumulative amount of actuarial (gains)/losses immediately recognised at end of year	1,837	1,256

### Plan assets

The weighted-average asset allocation at the year-end were as follows:

<u>Asset category</u>	2013	2012
Equities	0.0%	22.8%
Bonds	62.0%	66.7%
Other	<u>38.0%</u>	<u>10.5%</u>
	100.0%	100.0%

To develop the expected long-term rate of return on assets assumption, the employer considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the current asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 4.54% per annum assumption for 2013.

	2013 £ 000s	2012 £ 000s
Actual return on plan assets	(234)	927

### Assumptions used to determine benefit obligations

	2013	2012
Discount rate	4.70%	4.60%
Rate of salary increase	n/a	n/a
Rate of price inflation	3.30%	2.90%
Rate of increase of pensions in deferment	3.30%	2.90%

### Assumptions used to determine net pension cost

	2013	2012
Discount rate	4.60%	4.80%
Expected long-term return on plan assets	4.60%	4.54%
Rate of salary increase	n/a	n/a
Rate of price inflation	2.90%	3.00%
Rate of increase of pensions in payment (5% LPI)	2.90%	3.00%

# THE ROYAL LONDON SOCIETY FOR BLIND PEOPLE

## NOTES TO THE FINANCIAL STATEMENTS

### 17 PENSION SCHEMES

#### Life expectancy for mortality tables used to determine benefit obligations

	2013		2012	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	21.8 yrs	23.9 yrs	21.95 yrs	23.9 yrs
Member age 40 (life expectancy at age 65)	24 yrs	25.8 yrs	23.67 yrs	25.8 yrs

#### Five year history

	2013	2012	2011	2010	2009
Benefit obligation at end of year	12,855	13,030	12,428	9,912	9,442
Fair value of plan assets at end of year	16,344	12,092	11,498	8,946	8,046
	<u>3,489</u>	<u>(938)</u>	<u>(930)</u>	<u>(966)</u>	<u>(1,396)</u>

Difference between expected and actual return on scheme assets:

amount (£ 000s)	(854)	411	2,015	495	(425)
percentage of scheme assets	5%	3%	18%	6%	(5%)
Experience gains and losses on scheme liabilities:					
amount (£ 000s)	0	0	927	(10)	0
percentage of scheme assets	0%	0%	7%	(0%)	0%

#### Contributions

The last formal actuarial valuation of the Scheme has an effective date of 31 July 2010. In August 2013 the society made a single contribution of £5,200,000

**Thank you to all of the many supporters of RLSB who give so generously to help vision impaired children and young people the chance to live their lives without limits.**

**Space precludes us from mentioning each and every one but we would like to say a special thank you to;**

Beneficientia Stiftung

City Bridge Trust

Johnson Mathey

Kent County Council

London Borough of Tower Hamlets

London Borough of Hackney

London Borough of Haringey

London Borough of Newham

London Borough of Lewisham

London Borough of Greenwich

Sevenoaks Council

SFIA Educational Trust

