

national talking newspapers and magazines

Part of RNIB Group



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Annual Report

**The Talking Newspaper Association of the
United Kingdom**

(Limited by Guarantee)

Year ended 31st March 2010

Registered No. 01973092

Registered Charity No. 293656

The Talking Newspaper Association of the United Kingdom
(Limited by Guarantee)
Registered No. 1973092

There are over a million people in the UK with visual impairment, and many more who find reading a strain because of a physical disability. Our aim is to provide all visually impaired and disabled people access to the same choice of newspapers, magazines and other information as sighted people have in print.

"The one thing that I really would have missed is the classical music magazine because I'm a musician and I've taken that magazine from the very first issue. I used to read it absolutely cover to cover so I was very delighted that you do it"

"It was through taking Sporting Life Weekender that I fulfilled a dream in owning a racehorse. That has really given me a wonderful added dimension to my life that I probably wouldn't have had without National Talking Newspapers"

The Talking Newspaper Association of the UK wishes to thank
the following major donors to the Association
in the Financial Year ended 31st March 2010

HB Allen Charitable Trust	Jane Hodge Foundation
Anson Charitable Trust	Albert Hunt Trust
Roy and Pixie Baker Charitable Trust	Inman Charity
Lord Barnby's Foundation	Ernest Kleinwort Charitable Trust
H & A Bridges Charitable Trust	Leathersellers Charitable Fund
Chapman Charitable Trust	John Lewis Partnership
Charlotte Bonham-Carter Charitable Trust	George A Moore Foundation
Brownlie Charitable Trust	Peacock Charitable Trust
Helen Jean Cope Charity	Dowager Countess Eleanor Peel Trust
DLM Charitable Trust	PF Charitable Trust
Felix Dennis	Rowan Charitable Trust
The Dickon Trust	Saints and Sinners Trust
Eveson Charitable Trust	The Scotshill Trust
F Glenister-Woodger Trust	Michael Shanly Trust
Hugh Fraser Foundation	The Jessie Spencer Trust
Friarsgate Trust	Miss Doreen Stanford Trust
Robert and Evelyn Maud Hall Charitable Trust	W O Street Charitable Foundation
Harebell Centenary Fund	The Tolkien Trust
The Harapan Trust	RD Turner Charitable Trust
Also various major donations from trusts who wish to remain anonymous.	The Ulverscroft Foundation
	Zochonis Charitable Trust

national talking newspapers and magazines

Part of RNIB Group

Financial Statements
For the year ended 31st March 2010

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The Talking Newspaper Association of the United Kingdom

(Limited by Guarantee)

Registered No. 1973092

Report of the Trustees For the year ended 31st March 2010

The trustees present their report and the audited financial statements for the year ended 31st March 2010.

Reference and administrative details

The Talking Newspaper Association of the United Kingdom is incorporated under the Companies Act 2006 (number 01973092) and registered under the Charities Act 1993 (number 293656).

The financial statements comply with current statutory reporting requirements, the memorandum and articles and the Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005).

Trustees

L-A. Alexander (appointed 1/2/2010)	L. Boase (appointed 18/2/2010)
W. Cameron (resigned 18/6/2009)	P. Driver Chairman
K. Hickey (appointed 1/2/2010)	N. McLachlan
M. Meredith (appointed 18/2/2010)	I. Porat
R. Scriven C.B.E (deceased 1/12/2009)	M. Virtue
J. Waddell	I. Yule

Chief Executive

J. Kerby

Registered Office

10 Browning Road
Station Road Industrial Estate
Heathfield
East Sussex TN21 8DB

Company Secretary

A. Ledward

Solicitors

J.M. Rix and Kay
84 High Street
Heathfield
East Sussex TN21 8JG

Registered Auditors

Clark Brownscombe Limited
33 Cliffe High Street
Lewes
East Sussex BN7 2AN

Bankers

Unity Trust Bank plc
Nine Brindleyplace
4 Oozells Square
Birmingham B1 2HB

National Westminster Bank plc
19 High Street
Heathfield
East Sussex TN21 8PL

The Charities Aid Foundation
Kings Hill
West Malling, Kent ME19 4TA

The Talking Newspaper Association of the United Kingdom

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Report of the Trustees

For the year ended 31st March 2010 continued

Structure, governance and management

The charity is a U.K. company limited by guarantee and not having a share capital. It is governed by its Articles of Association which were last amended on 1st February 2010. Its objective is to provide information in an accessible form for those unable to read printed text.

On 1st February 2010 the Royal National Institute of Blind People (RNIB), registered charity number 226227 and incorporated under Royal Charter in 1949 with a Supplemental Charter in 1993 (revised in 2002), became the sole member of this charity. This charity is therefore a member of the RNIB Group. An Association Agreement was signed with RNIB on 3rd February 2010 and this agreement governs the relationship between the two charities.

Trustees

The trustees of the Association during the year are above. The Board of trustees is the voluntary body appointed by the member to oversee the management of the Association. The trustees are also the directors for the purposes of company legislation. The trustees are appointed for a three year term which may be renewed.

New trustees are provided with information on the legal and financial background of the charity together with demonstrations of the services provided by the charity. Appropriate training is made available to all trustees when required including inhouse technical demonstrations and training relating to service developments.

Organisation

The board of trustees meets every two months to administer the charity. A part time Chief Executive, John Kerby, oversees the day to day management of the charity.

The charity has a wholly owned trading subsidiary, Talking Newspaper Enterprises Limited (company number 02189461).

Objectives and activities

The Talking Newspaper Association has the long term objective of giving people who are unable to read normal print, because of visual and physical impairment, access to all available newspapers and magazines.

The principal activity of the charity is to provide newspapers, magazines and information in accessible forms using audio recordings and electronic text for the benefit of visually impaired and disabled people.

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Report of the Trustees

For the year ended 31st March 2010 continued

National newspapers and magazines are recorded digitally by the Association at its National Recording Centre at Heathfield in East Sussex. In total around 1 million audio recordings of over 185 major national publications are distributed annually to over 6,000 people. A growing range of publications are also distributed in electronic text by email, website and CD Rom for use with computer speech synthesis software. Subscribers pay a subsidised subscription for these services.

New methods of distributing information are being developed as changes in technology create new opportunities. A DAISY service is available using this specialised compressed speech format on CD, compatible with the players used by the RNIB Talking Books service. An audio download service is available using compressed speech files of the studio recordings that can be downloaded from our website.

The cassette tapes and CDs are distributed free by the Royal Mail under the Articles for the Blind concession. The Association receives no grants from government bodies. It relies on voluntary donations and monies that it raises through its fundraising officers, who apply for grants and donations from individuals, companies and charitable trusts and encourage legacy donations, to meet the major part of the operating costs.

Around 200 volunteers play a significant role in the recording of publications, assisting at all stages of the production process and providing most of the voices. The value of this contribution is estimated to exceed £250,000 and without this continued support the service would not be able to operate.

Public Benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit". The activities of the charity described in this report contribute directly towards achieving the stated objective of the charity and deliver a public benefit as stated below. All these activities contribute to the overall aim of giving people who are unable to read normal print the same choice of information and entertainment as those able to read printed material.

The unique service enables visually impaired people to access information and entertainment that would otherwise not be available to them. No equivalent charitable or commercial service is available but we know from the comments of subscribers that the talking newspapers and magazines make a real difference to the lives of visually impaired people. The charity aims to make its service available to everyone who could benefit from it, eligibility is limited only by the requirement for a disability that prevents normal reading.

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Report of the Trustees **For the year ended 31st March 2010 continued**

Fees charged are set at a low level and bursaries made available to those of limited means, thanks to the generous support of charitable trusts, to ensure that the service can be available to all who wish to receive it.

Achievements and performance

The charity has managed to maintain and improve the extensive service of audio and electronic versions of newspapers and magazines despite a continuing difficult financial position. The volume and speed of production shown above remains an amazing achievement for a charity with very limited resources. Improvements to the services are continually being developed to take advantage of the opportunities arising from new technology.

The number of subscribers has continued to decline, reflecting a trend experienced by many organisations serving blind people. However the new Association with RNIB offers the opportunity to benefit from marketing resources of the Group and it is hoped that more blind people can be made aware of and benefit from the service.

Financial review

The consolidated statement of financial activities for the year is set out on page 10. The subscriptions from individuals and organisations receiving services are the key element of the income of the charity. This income is supplemented by voluntary donations and grants from a variety of sources.

The Association agreement with RNIB provides a promise of support and underwrites the voluntary income of the charity to give a fixed level of income. This arrangement places the charity in a more secure financial position. The costs of providing services by the charity have been tightly controlled to reflect the limited reserves and uncertain income.

The wholly owned trading subsidiary, Talking Newspaper Enterprises Limited, provides similar services to the charity but on a commercial basis to businesses, other charities and public bodies, trading as Soundtalking. The result for the year was disappointing due to the difficult sales environment. After the year end the Chief Executive left the company to pursue other interests and unfortunately the largest customer decided to review their requirement for audio material and has moved to an alternative supplier. The activities of the company have been reviewed and a new manager appointed on a part time basis. The company will work closely with RNIB, the ultimate holding company, to make best use of the resources and expertise available within RNIB Group. The directors of the company believe that with these changes reducing costs the profitability of the company will be improved in the current year despite a lower turnover.

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Report of the Trustees

For the year ended 31st March 2010 continued

Reserves Policy

The long term aim of trustees is to bring the level of reserves in line with the overall policy for the RNIB Group at between 12 and 17 weeks of operating costs as "free reserves". This level equates to between £180,000 and £255,000. The current levels of reserves are shown in note 19 to the accounts.

Plans for future periods

The key aim of the trustees is to work with the other members of RNIB Group to increase the number of subscribers benefiting from the service. This aim directly contributes towards the overall mission of RNIB Group to challenge blindness by empowering people who are blind or partially sighted, removing the barriers they face and helping to prevent blindness.

The high fixed costs involved with providing audio recordings and full text files mean that an increase in subscribers will also increase regular income of the charity and reduce the reliance on voluntary income.

The legal structure of the group is being reviewed. The main work of the subsidiary is an extension of the charitable work of the charity, helping visually impaired people access printed material, and so could be operated within the charity if it does not create a significant risk to the assets of the charity. The trustees of the charity have decided in principle to transfer the activities of the subsidiary into the charity at the end of the financial year. After the transfer of activities, with the associated assets and liabilities, the subsidiary would have no further use and it would be wound up.

Risk management

A review of the major risks to which the charity is exposed has focused on the funding problems and cost areas involved in the business plan together with a detailed review of Health and Safety matters. This risk review highlighted the importance of raising all sources of regular income to a more sustainable level and was a key element in the decision to become part of RNIB Group.

Trustees' interests in shares of the company

The Association is a company limited by guarantee and none of the trustees held beneficial interests in the company at 31st March 2010, or at any time during the year. Lesley-Anne Alexander and Keith Hickey are employed by RNIB, the sole member of the company.

Statement of trustees' responsibilities for the financial statements

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The

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Report of the Trustees

For the year ended 31st March 2010 continued

trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the group, for the year. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees must, in determining how amounts are presented within items in the statement of financial activities and balance sheet have regard to the substance of the reported transaction or arrangement in accordance with generally accepted accountancy principles or practice.

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

Statement as to disclosure of information to Auditors

So far as the trustees are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Exemption Statement

The report of the trustees has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board



Peter Driver
Chairman

Registered office:

10 Browning Road
Station Road Industrial Estate
Heathfield

East Sussex TN21 8DB

Date: 29th November 2010

The Talking Newspaper Association of the United Kingdom

(Limited by Guarantee)

Registered No. 1973092

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING NEWSPAPER ASSOCIATION OF THE UNITED KINGDOM (LIMITED BY GUARANTEE)

We have audited the group and charity financial statements of The Talking Newspaper Association of the United Kingdom (Limited by Guarantee) for the year ended 31st March 2010 on pages 10 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 13 and 14.

This report is made solely to the 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 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 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

The responsibilities of the trustees (who are also the directors of The Talking Newspaper Association of the United Kingdom for the purpose of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on pages 6 and 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING NEWSPAPER ASSOCIATION OF THE UNITED KINGDOM (LIMITED BY GUARANTEE) (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31st March 2010 and of the incoming resources and application of resources, including the income and expenditure of the group for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- the information given in the trustees' report is consistent with the financial statements.

D. R. Scrivins

David Robert Scrivins (Senior Statutory Auditor)
for and on behalf of Clark Brownscombe Limited
Chartered Accountants & Registered Auditors
33 Cliffe High Street,
Lewes, East Sussex BN7 2AN

10th December 2010

The Talking Newspaper Association of the United Kingdom
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Group Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31st March 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 31st March 2010 £	Total Funds 31st March 2009 £
Incoming resources					
From generated funds					
Voluntary income					
- Donations and fundraising	2	80,939	0	80,939	69,133
- Grants	2	285,780	0	285,780	149,678
- Legacies	2	32,260	0	32,260	302,210
Activities for generating funds					
- Income of trading subsidiary	3	407,702	0	407,702	477,743
Investment income		48	0	48	2,281
From charitable activities					
- Membership income	2	338,254	0	338,254	373,545
Other incoming resources					
Sundry income		2,065	0	2,065	576
Total incoming resources		1,147,048	0	1,147,048	1,375,166
Resources expended					
Costs of generating funds					
Fundraising		33,275	0	33,275	38,088
Costs of trading subsidiary		382,341	0	382,341	435,566
Charitable activities					
Production of talking newspapers		634,440	7,665	642,105	716,009
Publicity and marketing		89,110	0	89,110	82,784
Governance costs		20,757	0	20,757	19,733
Other resources expended					
Interest payable	4	15,194	0	15,194	23,251
Total resources expended		1,175,117	7,665	1,182,782	1,315,431
Net incoming resources for the year		-28,069	-7,665	-35,734	59,735
Net movement of funds		-28,069	-7,665	-35,734	59,735
Total funds brought forward		149,271	38,198	187,469	127,734
Total funds carried forward		121,202	30,533	151,735	187,469

The notes on pages 13 to 23 form part of these financial statements.

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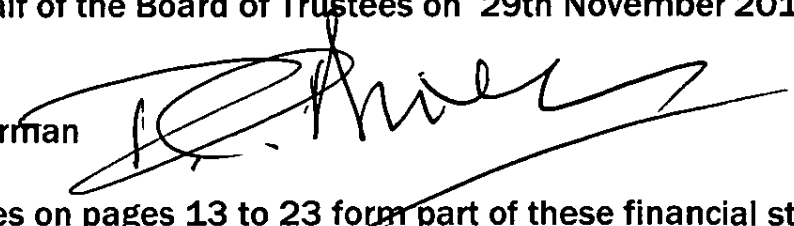
Balance Sheet as at 31st March 2010

		Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
FIXED ASSETS:					
Tangible fixed assets	9	448,968	468,503	428,449	446,779
Investments	10	0	0	100	100
		<u>448,968</u>	<u>468,503</u>	<u>428,549</u>	<u>446,879</u>
CURRENT ASSETS:					
Stock		29,554	29,164	8,735	12,847
Debtors	11	108,411	131,536	78,879	112,314
Cash at bank and in hand	12	59,041	67,499	59,030	67,353
		<u>197,006</u>	<u>228,199</u>	<u>146,644</u>	<u>192,514</u>
LIABILITIES:					
Creditors: Amounts falling due within one year	13	265,862	269,013	197,536	214,798
Net current liabilities		-68,856	-40,814	-50,892	-22,284
Total assets less current liabilities		<u>380,112</u>	<u>427,689</u>	<u>377,657</u>	<u>424,595</u>
Creditors: Amounts falling due after more than one year	14	228,377	240,220	228,377	240,220
Net assets		<u>151,735</u>	<u>187,469</u>	<u>149,280</u>	<u>184,375</u>
REPRESENTED BY:					
Unrestricted Funds	19	118,747	146,177	118,747	146,177
Non charitable trading funds		2,455	3,094	0	0
Restricted Funds	20	30,533	38,198	30,533	38,198
		<u>151,735</u>	<u>187,469</u>	<u>149,280</u>	<u>184,375</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved on behalf of the Board of Trustees on 29th November 2010

Peter Driver Chairman



The notes on pages 13 to 23 form part of these financial statements

The Talking Newspaper Association of the United Kingdom

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Cashflow Statement for the year ended 31st March 2010

	Group 2010 £	Group 2009 £	Charity 2010 £	Charity 2009 £
Operational Cashflows				
Incoming Resources				
Receipts from voluntary income	420,904	512,633	420,904	512,633
Receipts from subscriptions	312,987	358,052	312,987	358,052
Other incoming resources	2,113	2,857	2,113	2,857
Group subsidiary company	0	0	40,608	8,652
Trading income	411,508	447,926	0	0
Taxation	-3,614	-58	0	0
	<u>1,143,898</u>	<u>1,321,410</u>	<u>776,612</u>	<u>882,194</u>
Resources Expended				
Payments for goods and services	-242,693	-289,569	-242,693	-289,568
Payments for trading goods and services	-215,527	-286,749	0	0
Payments for employees	-674,423	-690,710	-519,101	-539,567
	<u>-1,132,643</u>	<u>-1,267,028</u>	<u>-761,794</u>	<u>-829,135</u>
Net cashflow from operating activities	<u>11,255</u>	<u>54,382</u>	<u>14,818</u>	<u>53,059</u>
Capital expenditure				
Purchase of fixed assets	-15,269	-22,609	-11,298	-22,609
Long term mortgage loan	-11,843	-8,815	-11,843	-8,815
Movement in cash balances	<u>-15,857</u>	<u>22,958</u>	<u>-8,323</u>	<u>21,635</u>
Management of Liquid Resources				
Bank and cash balances	-8,458	21,547	-8,323	21,635
Bank overdraft	-7,399	1,411	0	0
	<u>-15,857</u>	<u>22,958</u>	<u>-8,323</u>	<u>21,635</u>
Reconciliation between net resources and net cash flow from operating activities				
Net Resources from Statement of Financial Activities	-35,734	59,735	-35,095	59,558
Change in stock	-390	-2,227	4,112	-2,300
Change in debtors	23,125	-39,210	33,435	-41,099
Change in creditors	-3,151	-8,351	-17,262	683
Bank overdraft in creditors	-7,399	1,411	0	0
Depreciation charged	34,804	43,024	29,628	36,217
Net cashflow from operating activities	<u>11,255</u>	<u>54,382</u>	<u>14,818</u>	<u>53,059</u>

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Notes to the financial statements For the year ended 31st March 2010

1. GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly owned subsidiary Talking Newspaper Enterprises Limited on a line by line basis. A separate Statement of Financial Activities or Income and Expenditure Account for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005). The charity's deficit for the year was £35,095 (2009: surplus £59,558) and gross income £765,346 (2009: £939,423).

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the most important accounting policies, which have been applied consistently, are set out below.

a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. In addition they have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005).

b) Membership income

Membership income is recognised on an accruals basis whereby income relating to a future accounting period is shown as deferred income and is credited to income in the year to which it relates so as to match it with future costs.

c) Donations

Donations represent cash and gifts in kind received from corporate, other bodies and individuals and are recognised on a receipts basis. The related income tax recoverable is included in the same period.

d) Legacies

Income from legacies is recognised at the earliest point at which the amounts become certain.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of the head count. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable objectives. Governance costs are those incurred in connection with administration of

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Notes to the financial statements For the year ended 31st March 2010 (Continued)

the charity and compliance with constitutional and statutory requirements.

f) Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Recording studios	10%	Fixtures and fittings	10%
Office equipment	25%	Computer equipment	33%
Recording equipment	25%		

Amortisation of improvements to leasehold property is on a straight line basis over the period of the current lease. Freehold buildings are depreciated on a straight line basis over a period of 50 years.

g) Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Where fixed assets are financed by leasing agreements which transfer to the company substantially all the benefits and risks of ownership, the assets are treated as if they had been purchased outright and are included in tangible fixed assets.

h) Stock

Stock is valued at the lower of cost and net realisable value.

i) Pension costs

The company operates a group personal pension scheme. The pension cost represents contributions payable by the company to the scheme together with administration charges and is shown in note 5 below.

j) Restricted Funds

Grants or donated funds received for a particular purpose specified by the donor are allocated to restricted funds in the financial statements and only costs relating to that particular purpose are charged to that fund. All other funds are unrestricted and may be used by the trustees for any purpose within the aims of the charity. Unrestricted funds may be designated by the trustees for a specific purpose but the trustees can remove or alter this designation if they wish.

3. NET INCOME FROM TRADING ACTIVITY OF SUBSIDIARY

The Charity has a trading subsidiary, Talking Newspaper Enterprises Limited, which is incorporated in Great Britain. Its principal activities are the recording and sale of cassettes to major institutes, companies and other organisations and the sale of promotional goods. The majority of the profit from these activities is donated to the charity. A summary of the trading results is set out below. Audited financial statements will be filed with the Registrar of Companies.

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(Limited by Guarantee)
Registered No. 1973092

Notes to the financial statements For the year ended 31st March 2010 (Continued)

	<u>2010</u>	<u>2009</u>
	£	£
Turnover	407,702	477,743
Cost of sales	245,480	293,093
Gross profit	162,222	184,650
Net operating expenses	136,061	141,535
Operating profit	26,161	43,115
Interest payable	800	938
Net profit	25,361	42,177
Amount gifted to the Charity	26,000	42,000
	-639	177
Taxation	0	0
Retained in subsidiary	-639	177

The assets and liabilities of the subsidiary were:

Assets	112,298	113,434
Creditors: amounts falling due within one year	-109,743	-110,240
	2,555	3,194
Aggregate share capital and reserves	2,555	3,194

The costs of property occupied by the group are apportioned on the basis of the space occupied.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Interest payable on sums; Repayable within five years,				
not by instalments	10,185	10,427	9,385	9,489
Repayable in more than five years	5,809	13,762	5,809	13,762
	<u>15,994</u>	<u>24,189</u>	<u>15,194</u>	<u>23,251</u>

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5. RESULT FOR THE YEAR

The result for the year is stated after charging:

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Depreciation of tangible fixed assets	34,804	43,024	29,628	36,217
Pension costs	4,999	6,115	4,999	5,971
Auditor's remuneration	8,170	8,536	5,405	5,294
Operating lease rentals:				
Office equipment and vehicle	29,338	22,406	17,792	12,052

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost above represents the contributions paid by the company to the fund and administration fees.

6. TRUSTEES' EMOLUMENTS

The trustees received no emoluments during the year (2009: - nil) and no expenses (2009: - nil) were paid to cover travel and other costs connected with trustee meetings.

7. EMPLOYEE COSTS

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Number of employees – Full Time Equivalent	<u>35</u>	<u>39</u>	<u>30</u>	<u>33</u>
	£	£	£	£
Salaries	621,944	639,696	484,296	502,584
National Insurance Costs	49,034	51,014	36,316	36,983
	<u>£670,978</u>	<u>£690,710</u>	<u>£520,612</u>	<u>£539,567</u>

No employees received emoluments of £60,000 or above.

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8. ALLOCATION OF COSTS

Expenditure which cannot be completely allocated to a heading in the Statement of Financial Activities is apportioned using the following factors:

- The cost of the Chief Executive, Company Secretary and their support staff is allocated using an estimate of the time spent actively involved with the relevant activities with the balance included in the general management costs below.
- Property overheads are apportioned on the basis of the floor area occupied by the activities.
- Management costs generally supporting the operational activities of the charity are apportioned on the basis of the number of full time equivalent employees involved in the activities.

	Allocated Costs	Management Salaries	Property Costs	General Management	Total
Fundraising	18,220	8,759	1,578	4,718	33,275
Production	548,886		36,602	56,617	642,105
Publicity	76,974	5,840	1,578	4,718	89,110
Governance	9,639	8,759	0	2,359	20,757
General Management	29,589	35,037	3,786	-68,412	
Total 2010	<u>683,308</u>	<u>58,395</u>	<u>43,544</u>	<u>0</u>	<u>785,247</u>
Total 2009	<u>711,529</u>	<u>57,783</u>	<u>87,302</u>	<u>0</u>	<u>856,614</u>

	Group	
	<u>2010</u>	<u>2009</u>
	£	£
Costs as above	785,247	856,614
Interest payable	15,194	23,251
Costs of trading subsidiary	382,341	435,566
	<u>£1,182,782</u>	<u>£1,315,431</u>

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9. TANGIBLE FIXED ASSETS - GROUP

COST	£	Freehold Property	Improvements To Leasehold Property	Recording Studios	Recording And Other Equipment	Computer Equipment	Fixtures and Fittings	Total
	£			£	£	£	£	£
At 1st April 2009	334,813		7,000	145,374	357,011	353,273	50,896	1,248,367
Additions	0		0	0	0	9,047	6,222	15,269
Disposals	0		0	0	0	0	0	0
At 31st March 2010	<u>334,813</u>		<u>7,000</u>	<u>145,374</u>	<u>357,011</u>	<u>362,320</u>	<u>57,118</u>	<u>1,263,636</u>
DEPRECIATION								
At 1st April 2009	6,744		2,100	114,569	321,896	308,830	25,725	779,864
Charge for the year	4,496		700	3,080	8,598	15,227	2,703	34,804
Disposals	0		0	0	0	0	0	0
At 31st March 2010	<u>11,240</u>		<u>2,800</u>	<u>117,649</u>	<u>330,494</u>	<u>324,057</u>	<u>28,428</u>	<u>814,668</u>
NET BOOK VALUE								
At 31st March 2009	<u>328,069</u>		<u>4,900</u>	<u>30,805</u>	<u>35,115</u>	<u>44,443</u>	<u>25,171</u>	<u>468,503</u>
At 31st March 2010	<u>323,573</u>		<u>4,200</u>	<u>27,725</u>	<u>26,517</u>	<u>38,263</u>	<u>28,690</u>	<u>448,968</u>

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9. TANGIBLE FIXED ASSETS – CHARITY

	Freehold Property	Improvements to Leasehold Property	Recording Studios	Recording And Other Equipment	Computer Equipment	Fixtures and Fittings	Total
COST	£	£	£	£	£	£	£
At 1st April 2009	334,813	0	135,374	320,544	322,074	38,836	1,151,641
Additions	0	0	0	0	6,933	4,365	11,298
Disposals	0	0	0	0	0	0	0
At 31st March 2010	<u>334,813</u>	<u>0</u>	<u>135,374</u>	<u>320,544</u>	<u>329,007</u>	<u>43,201</u>	<u>1,162,939</u>
DEPRECIATION							
At 1st April 2009	6,744	0	106,407	289,388	286,135	16,188	704,862
Charge for the year	4,496	0	2,896	7,789	12,182	2,265	29,628
Disposals	0	0	0	0	0	0	0
At 31st March 2010	<u>11,240</u>	<u>0</u>	<u>109,303</u>	<u>297,177</u>	<u>298,317</u>	<u>18,453</u>	<u>734,490</u>
NET BOOK VALUE							
At 31st March 2009	328,069	0	28,967	31,156	35,939	22,648	446,779
At 31st March 2010	<u>323,573</u>	<u>0</u>	<u>26,071</u>	<u>23,367</u>	<u>30,690</u>	<u>24,748</u>	<u>428,449</u>

The charity purchased the freehold of the National Recording Centre on 14th September 2007. The purchase price was £325,000 and associated costs £9,813. The value of the freehold land included has been estimated at £110,000 including costs.

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10. FIXED ASSET INVESTMENT

Shares in group undertaking (par value) £100 2010 and 2009
100 Ordinary Shares at £1 each allotted, issued and fully paid

This comprises the cost of the investment in the subsidiary undertaking. There has been no movement in this investment during the year and no amounts have been written off in respect of it.

Details of the subsidiary undertaking are as follows:-

Name of company and country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Talking Newspaper Enterprises Limited (United Kingdom)	Ordinary	100%	Sale of cassettes, recorded cassettes, ancillary and promotional goods.

The company exists to enable funds to be raised for the Association through the sale of cassettes, recorded cassettes and other goods. A summary of its trading results and donations to the charity is included in note 3.

11. DEBTORS

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Trade debtors	70,949	75,247	0	0
Other debtors	24,259	46,184	24,259	46,184
Amounts owed by group undertaking	0	0	41,417	56,025
Prepayments and accrued income	13,203	10,105	13,203	10,105
	<u>£108,411</u>	<u>£131,536</u>	<u>£78,879</u>	<u>£112,314</u>

The balance owed by group undertaking represents the amounts outstanding at the balance sheet date from short term trading transactions between the holding company and its subsidiary and any gift to the charity. No arrangement exists to provide long term loan finance from the charity to the company.

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12. CASH AT BANK AND IN HAND

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
General Fund				
Cash at bank	57,387	64,997	57,387	64,997
Cash in hand	113	955	102	809
Deposit accounts	1,541	1,547	1,541	1,547
Non charitable trading funds	0	0	0	0
	<u>£59,041</u>	<u>£67,499</u>	<u>£59,030</u>	<u>£67,353</u>

13. CREDITORS: Amounts falling due within one year

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Bank overdraft	21,897	14,498	0	0
Trade creditors	33,286	19,757	0	0
Social security and other taxes	11,111	12,123	2,691	0
Other creditors	18,941	37,150	14,307	37,308
Accruals and deferred income	33,505	13,096	33,416	5,101
Deferred membership income	147,122	172,389	147,122	172,389
	<u>£265,862</u>	<u>£269,013</u>	<u>£197,536</u>	<u>£214,798</u>

14. CREDITORS: Amounts falling due in more than one year

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Bank mortgage loan	<u>228,377</u>	<u>240,220</u>	<u>228,377</u>	<u>240,220</u>

Unity Trust Bank plc provided a loan of £250,000 in September 2007 to enable the purchase of the National Recording Centre, secured by a first charge over the building. The loan is repayable in instalments based on a repayment period of 25 years.

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15. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

Lease Commitments

The company has financial commitments in respect of non-cancellable operating leases of office equipment and a vehicle. The rentals payable under these leases in the next year are as follows:

	Group		Charity	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Date of lease termination				
Within one year	3,263	2,177	0	1,696
Two to five years	16,060	23,378	9,950	8,533
	<u>£19,323</u>	<u>£25,555</u>	<u>£9,950</u>	<u>£10,229</u>

In addition the group leases properties in Heathfield, East Sussex. The total rent payable in respect of these properties is currently £22,500 per annum.

16. LEGACIES

There are some residual legacies which have been notified to the charity at 31st March 2010 for which the final amount could not be confirmed. These financial statements include any payments received on account in the period but not any estimates for future amounts receivable. The estimated amount due from these residual legacies is £50,000.

17. TAXATION

The company was formed as a non-profit making organisation and is a Registered Charity, thus incurring no liability to Corporation Tax.

18. GUARANTEE

The company is limited by guarantee, having no share capital. In the event of the charity being wound up the maximum amount each full member is liable to contribute is £1.

19. UNRESTRICTED FUNDS

	Balance at 1st April 2009	Movement in year	Balance at 31st March 2010
	£	£	£
General Fund	146,177	-27,430	118,747
	<u>£146,177</u>	<u>-27,430</u>	<u>£118,747</u>

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20. RESTRICTED FUNDS

	Balance at 1st April <u>2009</u>	Movement in year	Balance at 31st March <u>2010</u>
	£	£	£
Sightline Fund	5,646	-1,863	3,783
Other Funds	32,552	-5,802	26,750
	<u>£38,198</u>	<u>£-7,665</u>	<u>£30,533</u>

Other Restricted Funds reflects grants for the purchase of specific assets for use by the charity.

Sightline Fund

The Association was awarded in October 1999 a three year grant totalling £191,567 from the National Lottery Charities Board for a project to place computer systems accessible to visually impaired people in 45 local talking newspapers which has been successfully completed. The fund balance represents the written down value of the computer systems.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
Restricted Funds				
Sightline Fund	3,783	0	0	3,783
Other Restricted Funds	31,118	0	-4,368	26,750
	<u>34,901</u>	<u>0</u>	<u>-4,368</u>	<u>£30,533</u>
Unrestricted Funds	393,548	100	-46,524	347,124
Long term liabilities				-228,377
				<u>£118,747</u>
	<u>£428,449</u>	<u>£100</u>	<u>-£50,892</u>	<u>£149,280</u>