

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT &
FINANCIAL STATEMENTS**

YEAR ENDED 31 MAY 2000
Company registered number 3095963
Charity registered number 1049103



JAMES & COWPER
PHOENIX HOUSE
BARTHOLOMEW STREET
NEWBURY
BERKS
RG14 5QA

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

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ADMINISTRATIVE AND PROFESSIONAL INFORMATION

Address of charity Queen Isabelle House
 Unit 8 Kingsclere Park
 Kingsclere
 Newbury
 Berkshire
 RG20 4SW

Registered office 47 Castle Street
 Reading
 Berkshire
 RG1 7SR

Trustees A Oldland MBE (Chairman)
 R Aird
 R Barton
 T Brenig-Jones
 B Brooks (Treasurer) (Appointed 24 January 2000)
 R Craig
 A Langridge
 A Metcalfe

T Brenig-Jones, B Brooks and A Metcalfe are members of the management committee.

Charity director Camilla Oldland

Bankers Bank of Scotland
 Beauclerc House
 3 Queens Road
 Reading
 RG1 4AR

Auditors James & Cowper
 Phoenix House
 Bartholomew Street
 Newbury
 Berkshire
 RG14 5QA

TRUSTEES REPORT for the year ended 31 May 2000

The trustees, who act as directors for the purposes of company law, present their annual report and the audited financial statements for the year ended 31 May 2000.

Principal activity

The Living Paintings Trust was formed in 1988. The Trust was registered with the Charity Commission on 15 February 1989 as a charity whose purpose is to provide education to visually impaired people. On 31 December 1995 the activities of the charity were transferred to The Living Paintings Trust Limited. The principal activity of the company remains unchanged.

Review of the Year 1999 - 2000

The financial results for the year are shown on page 7 to 15.

1 June 1999 - 31 May 2000

Key Achievements

- ◆ The Trust raised £185,727 in incoming resources (income) for the year and a further £93,000 has been promised for future years. Income for the previous year to 31 May 1999 was £240,205 a figure that included a special, one off grant of £60,000 from the Foundation for Sport and the Arts made for the purposes of acquiring premises. This acquisition has been successfully completed and is now greatly benefiting the Trust.
- ◆ The Trust spent £177,211 (total resources expended) on providing an expanded service to a greater number of visually impaired people.
- ◆ Library Membership rose from 2,600 to 3,000 an increase of approximately 15%.
- ◆ The total number of Loans made during the year rose to 9,000. The number of Loans made to children increased by 20%
- ◆ 9 new touch and sound packs were added to the Library Catalogue increasing the number of items of total stock available to visually impaired people by 20%.
- ◆ Album 20 - Edinburgh - Jewel of Scotland, sponsored by the Guide Dogs for the Blind Association, was published.
- ◆ Album 21 - Paintings from The Royal Collection, sponsored by The Underwood Trust and the Austin and Hope Pilkington Trust, was launched. It includes a Foreword written and read by His Royal Highness The Prince of Wales.
- ◆ The Trust commissioned a major independent research project into the development of its product range for visually impaired children and young people. This significant project is funded by the Paul Hamlyn Foundation.

TRUSTEES' REPORT
for the year ended 31 May 2000 (continued)

- ◆ The provision and development of the Trust's extensive service to its visually impaired beneficiaries cost £60 per person for the year.
- ◆ The Trust received positive confirmation that it continues to fulfil its purpose of meeting the needs of visually impaired people as testified to by the following extracts from letters sent in by library members:

"What can I say! Thank you for sending me this wonderful Album. Your tapes have it all, Art Literature, Music, History, Religion, Mythology; it is like finding a door to a new world. Thank you for the wonderful joy you pack into a box!"

"The Living Paintings Trust is the perfect title as you bring art to life for me."

"Information about you has been a real relief and comfort to us." (A parent)

"This is definitely a winner, my class loved it (even those without visual problems) and kept asking for it. I am sorry to see it go."

"Chris enjoyed this material immensely. I have never seen him more motivated to work! Wonderful!"

During the previous financial year to 31st May 1999, as mentioned above and reflected in our Balance Sheet on page 8, the Trust acquired a 986 year leasehold for the premises from which it currently operates. This major development was achieved thanks to the grant from The Foundation for Sport and the Arts of £60,000 plus a loan of £70,000 from the Charities Aid Foundation and investment from the Trust's own resources. The loan from the Charities Aid Foundation is repayable over 7 years and at 31st May 2000 the amount outstanding has been reduced by 14% to £60,273. The Trustees would like to reiterate their gratitude to The Foundation for Sport and the Arts and their particular thanks to the Charities Aid Foundation Investors in Society without whose specialist loan service this significant step forward would not have been possible.

The Trustees are delighted to report such a positive outcome for the past year, which has allowed the Trust to provide a wider range of continually improving products and services to even more visually impaired people of all ages. They wish to thank the staff and many volunteers and all those whose efforts with donations of money, time and friendship, have made this possible.

Although there is every indication that the Trust will experience similar levels of growth in the next 12 months, it continues to vigorously pursue plans to improve on these. Of course, the harsh reality is that the continuance of the Trust's service and growth is subject to the funding becoming available. Now we look forward to the challenges for the coming year and aim to achieve greater levels of support and success in bringing our work to the attention of an ever-broader audience.

Year 2000 and the Euro

The trustees have considered the effect of both the Year 2000 & the introduction of the Euro on the business & operations. They have not experienced problems in the Year 2000 so far and do not anticipate any in the future which will result in additional costs. Their opinion is that the Euro will have little impact on the company.

TRUSTEES' REPORT
for the year ended 31 May 2000 (continued)

Trustees

Details of the trustees are given on page 1.

All trustees are members of the company and, as such, have guaranteed to contribute £1 each in the event of a liquidation.

Status of the company

The company, not having a share capital, is limited by guarantee. The company is entitled to those exemptions from UK taxation which are available in law to charities.


Administration

The administrative and secretarial duties of the charity are undertaken in the Newbury office to which all enquiries should be made. The company's registered office and professional advisors are set out on page 1. As stated in note 2, the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting for Charities'.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of James & Cowper as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD:



Alison Oldland
Chairman

Date: 17 Oct 2000

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the trustees (who are also directors of the company) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year then ended. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF THE LIVING PAINTINGS TRUST**

We have audited the financial statements on pages seven to fifteen which have been prepared under the historical cost convention and the accounting policies set out on pages nine and ten.

Respective responsibilities of directors and auditors

As described on page five the trustees, who are also directors of The Living Paintings Trust, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 charitable company'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 charitable company's affairs as at 31 May 2000 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


James & Cowper
Chartered Accountants
Registered Auditors
Phoenix House
Bartholomew Street
Newbury
Berks RG14 5QA

Date : 20/10/2000

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 May 2000

	Note	Unrestricted Funds £	Restricted Funds £	Total 2000 £	Total 1999 £
Income and expenditure					
Incoming resources					
Donations and gifts	2	102,193	70,505	172,698	228,319
Product sales	2	1,371	6,423	7,794	5,261
Investment income	2	<u>5,235</u>	<u>-</u>	<u>5,235</u>	<u>6,625</u>
Total incoming resources		<u>108,799</u>	<u>76,928</u>	<u>185,727</u>	<u>240,205</u>
Resources expended					
Direct charitable expenditure	2	64,108	79,433	143,541	128,536
Development expenditure		<u>3,544</u>	<u>-</u>	<u>3,544</u>	<u>3,174</u>
		<u>67,652</u>	<u>79,433</u>	<u>147,085</u>	<u>131,710</u>
Other expenditure					
Management and administration	2	8,861	-	8,861	7,934
Fund-raising and publicity	2	<u>21,265</u>	<u>-</u>	<u>21,265</u>	<u>19,042</u>
		<u>30,126</u>	<u>-</u>	<u>30,126</u>	<u>26,976</u>
Total resources expended	5	<u>97,778</u>	<u>79,433</u>	<u>177,211</u>	<u>158,686</u>
Net movement in funds		11,021	(2,505)	8,516	81,519
Fund balances brought forward at 1 June 1999		<u>30,390</u>	<u>132,807</u>	<u>163,197</u>	<u>81,678</u>
Fund balances carried forward at 31 May 2000		<u>41,411</u>	<u>130,302</u>	<u>171,713</u>	<u>163,197</u>

In the previous year incoming resources included a grant of £60,000 from The Foundation for Sport and the Arts which contributed to the cost of acquiring the Trust's leasehold premises.

The notes on pages 9 to 15 form part of these financial statements. All amounts relate to continuing activities.

THE LIVING PAINTINGS TRUST

BALANCE SHEET at 31 May 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible fixed assets	7	154,154	152,792
Current assets			
Debtors	8	1,300	2,361
Cash at bank and in hand		<u>88,264</u>	<u>81,171</u>
		89,564	83,532
Creditors : amounts falling due within one year	9	<u>(20,629)</u>	<u>(12,857)</u>
Net current assets		<u>68,935</u>	<u>70,675</u>
Total assets less current liabilities		223,089	223,467
Creditors : amounts falling due after more than one year	10	<u>(51,376)</u>	<u>(60,270)</u>
Net assets		<u>171,713</u>	<u>163,197</u>
Funds			
Restricted funds	11	130,302	132,807
Unrestricted funds: General	11	39,911	30,390
Building maintenance	11	<u>1,500</u>	<u>-</u>
		<u>171,713</u>	<u>163,197</u>

ON BEHALF OF THE BOARD:

Alison Oldland

Alison Oldland
Director

Date: 17.05.2000

The notes on pages 9 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

1. Status of the company

The Living Paintings Trust is a registered charity limited by guarantee. The liability of the members of the company is limited by their guarantee to contribute £1 each towards the liabilities of the company in the event of a liquidation. At 31 May 2000 there were 8 members (1999 :9).

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice : 'Accounting by Charities'.

Fund accounting

The charity's reserves have been allocated to separate funds for future application.

Unrestricted funds

These resources arose from donations given for general charitable purposes.

Restricted funds

These resources arose from donations given by the donors to finance specific projects.

Incoming resources

- Income from donations and gifts arose from a variety of sources together with the associated tax refunds where applicable.
- Income from product sales represents income generated from the principal activity of the company.
- Investment income comprises interest received from the investment of money on short term deposits.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

2 Accounting policies (continued)

Resources expended

Resources expended are accounted for on an accruals basis in accordance with Statement of Recommended Practice 'Accounting by Charities'

- All direct charitable expenditure relates to production and provision of services.
- Management and administration expenditure comprises central overheads not directly attributable to direct charitable expenditure. They relate to the management of the charity's funds, organisational administration and compliance with charity requirements.
- Fund-raising and publicity expenditure relates to costs directly attributable to raising income.

The trustees consider that it is impracticable to allocate individual items of expenditure to direct charitable expenditure, support costs, fund-raising and publicity costs, and the cost of management and administration of the charity. Instead, for the purpose of these financial statements, the trustees have apportioned total expenditure between these headings on a proportionate basis, in accordance with the trustees' careful consideration and judgement.

Direct charitable expenditure	-	81%
Development expenditure	-	2%
Management and administration	-	5%
Fund-raising and publicity	-	12%

Album production

The cost of producing albums is treated as an expense during the period in which it is incurred.

Fixed assets and depreciation

Depreciation is provided by the charity to write off the cost less the estimated residual value of fixed assets by equal instalments over their estimated useful economic lives as follows :

Equipment	-	5 to 10 years
Leasehold building	-	50 years

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

3. Results on ordinary activities

	2000 £	1999 £
Results for the year are stated after charging :		
Operating leases – land and buildings	-	11,025
Depreciation	5,085	5,826
Auditors' remuneration	<u>2,232</u>	<u>-</u>

4. Directors' remuneration

Members of the Board, none of whom were employees of the company, received no emoluments from the company during the year (1999 : £Nil). Of those members 3 (1999 : 3) received amounts for reimbursed expenses during the year of £847 (1999 : £899).

5. Analysis of total resources expended

	Staff costs £	Other £	Depreciation £	Total 2000 £	Total 1999 £
Direct charitable expenditure	74,953	64,469	4,119	143,541	128,536
Development expenditure	1,851	1,591	102	3,544	3,174
Other expenditure					
Management and administration of the charity	4,627	3,980	254	8,861	7,934
Fund-raising and publicity	<u>11,104</u>	<u>9,551</u>	<u>610</u>	<u>21,265</u>	<u>19,042</u>
	<u>92,535</u>	<u>79,591</u>	<u>5,085</u>	<u>177,211</u>	<u>158,686</u>

6. Staff numbers and cost

The average number of persons employed by the company during the year, analysed by category, was as follows :

	2000	1999
Production	3	2
Fund-raising and publicity	1	1
Administration and management	1	1
Library	<u>1</u>	<u>1</u>
	<u>6</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

6. Staff numbers and cost (continued)

The aggregate payroll costs of these persons plus casual staff not included in the above figures were as follows :

	2000	1999
	£	£
Wages and salaries	85,285	83,139
Social security costs	<u>7,250</u>	<u>6,590</u>
	<u>92,535</u>	<u>89,729</u>

7. Tangible fixed assets

	Leasehold premises	Equipment	Total
	£	£	£
Cost			
At beginning of year	150,510	25,264	175,774
Additions	<u>-</u>	<u>6,447</u>	<u>6,447</u>
At end of year	<u>150,510</u>	<u>31,711</u>	<u>182,221</u>
Depreciation			
At beginning of year	3,010	19,972	22,982
Charge for year	<u>3,010</u>	<u>2,075</u>	<u>5,085</u>
At end of year	<u>6,020</u>	<u>22,047</u>	<u>28,067</u>
Net book value			
At 31 May 2000	<u>144,490</u>	<u>9,664</u>	<u>154,154</u>
At 31 May 1999	<u>147,500</u>	<u>5,292</u>	<u>152,792</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

7. Tangible fixed assets (continued)

The net book value of fixed assets at 31 May 2000 represents fixed assets used for :

	Leasehold premises £	Equipment £	Total £
Direct charitable purposes	117,037	7,828	124,865
Development	2,890	193	3,083
Other purposes			
Fund-raising and publicity	7,225	483	7,708
Management and administration of the charity	<u>17,338</u>	<u>1,160</u>	<u>18,498</u>
	<u>144,490</u>	<u>9,664</u>	<u>154,154</u>

8. Debtors

	2000 £	1999 £
Other debtors	439	1,613
Prepayments and accrued income	<u>861</u>	<u>748</u>
	<u>1,300</u>	<u>2,361</u>

9. Creditors : Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	11,821	8,380
Trade creditors	2,165	251
Other creditors including taxation and social security	<u>6,643</u>	<u>4,226</u>
	<u>20,629</u>	<u>12,857</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

10. Creditors : Amounts falling due after more than one year

	2000	1999
	£	£
Bank loan	<u>51,376</u>	<u>60,270</u>

The above bank loan and £8,897 of bank loans and overdrafts (note 9) are secured by a fixed charge over the company's leasehold premises. This amount represents a loan from the Charities Aid Foundation Investors in Society, and is for the acquisition of the leasehold premises from which the Trust operates. The loan repayment period is seven years from the inception of the loan. There is also an assignment over a keyman insurance policy on the life of Camilla Oldland.

Analysis of debt :

	2000	1999
	£	£
Debt can be analysed as falling due :		
In one year or less	8,897	8,380
Between one and two years	9,445	8,897
Between two and five years	31,978	30,121
In five years or more	<u>9,952</u>	<u>21,252</u>
	<u>60,272</u>	<u>68,650</u>

11. Funds

The movement in the unrestricted and restricted funds is disclosed in the Statement of Financial Activities on page 7. The nature and purpose of such funds is described in note 2 to the financial statements.

During the year the Trustees have created a designated building maintenance fund out of unrestricted funds. The purpose of the fund is to provide for the future maintenance of the Trust's leasehold building.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2000

12. Analysis of net assets between funds

	Unrestricted funds £	Restricted income funds £	Total £
Fund balances at 31 May 2000 are represented by :			
Tangible fixed assets	96,554	57,600	154,154
Current assets	16,862	72,702	89,564
Current liabilities	(20,629)	-	(20,629)
Creditors : amounts falling due after more than one year	(51,376)	-	(51,376)
	<u>41,411</u>	<u>130,302</u>	<u>171,713</u>

13. Commitments

During the previous year the Trust received a grant of £60,000 from The Foundation for Sport and the Arts which contributed to the cost of acquiring the Trust's leasehold premises in April 1999. Under the terms of the grant, the Trust may be required to repay the grant in the event that ownership or use of the property changes.

14. Related party transactions

During the year the Trust incurred professional fees of £4,348 (1999 : £6,223) payable to Messrs Pitmans, a firm of solicitors in which Mr R Aird, a trustee, is a partner.