

REGISTERED NUMBER 3095963
CHARITY REGISTRATION NUMBER 1049103

**THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

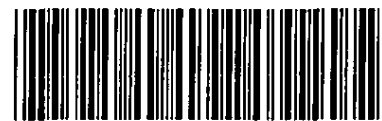
REPORT OF TRUSTEES AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2007

James Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

WEDNESDAY



AEJQXRXI

A22

08/08/2007

623

COMPANIES HOUSE

CONTENTS OF THE REPORT OF TRUSTEES AND FINANCIAL STATEMENTS For The Year Ended 31 May 2007

	Page
REPORT OF THE TRUSTEES:	
<u>Highlights</u>	1
Objectives and Activities	2
Achievements and Performance	3
Financial Review	6
Our Reserves Policy	7
Our Volunteers	7
Plans for Future Periods – ShareVision	8
Structure, Governance and Management	10
Our Patrons and Trustees	11
Our Donors (1 st June 2006 – 31 st May 2007)	12
<u>Conclusion</u>	13
Administrative and Professional Information	14
 REPORT OF THE INDEPENDENT AUDITORS	 16
 STATEMENT OF FINANCIAL ACTIVITIES	 17
 BALANCE SHEET	 18
 NOTES TO THE FINANCIAL STATEMENTS	 19

WEATHER

*Sleet is made from rain and snow,
Rain and sun make a rainbow.
The rainbow is made
With colours in all shades.*

*Red, orange, yellow and green
In the sky they can be seen.
Blue, indigo and violet,
My mum thinks rainbows are really
great.*

*The weather cycle happens again and
again,
Sea water coming from the clouds as
rain,
It goes back to the rivers,
Rain to earth the cloud delivers.*

*In a thunderstorm lightning flashes,
With a loud noise thunder crashes!
The heavens open up and down the
rain pours
So you better make sure that you are
indoors.*

*The weather pack from LPT
Has really helped me,
As this pack was edited by me
I know the basics of meteorology!*

by Liam aged 11 who lost his sight when
he was two.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

HIGHLIGHTS

Achievements during the year

- 6,800 blind and partially sighted people, 3,300 adults and 3,500 children benefiting from Living Paintings work
- 572 new people, young and old, from all over Britain and Ireland joining the free, postal Library Service receiving loans of our touch and sound packs
- 9,000 plus touch and sound packs now available, including 1,400 different images
- 30 new pack titles added to the Library Service or in production, including 'Weather in Art' for adults, 18 new Living Picture Books and 'British Wildlife and the Countryside' for children
- Further significant progress with ShareVision, our 5 year strategy to double the number of people who benefit from Living Paintings has been made. Not only have we continued to strengthen our organisation in readiness for the accelerated growth that will come as a result of ShareVision but also we have raised the money needed to implement the Pilot for our all important Regional Outreach Programme. Now, thanks to the generous support of The Sir Jules Thorn Charitable Trust, our dream of working on the ground in the community will begin to become a reality
- Our recently acquired additional Library Service premises has been fitted out to include full sound recording facilities and specially designed production areas. The premises will support increased activity, the fast expanding stock and higher staffing and volunteer levels generated not only by our generic growth but also from the implementation of elements of ShareVision
- Jacqueline Wilson, the extremely popular author and Children's Laureate 2005-07, became our Patron. She was interviewed on 8 radio stations including BBC Radio 4 on the same day about becoming Patron of Living Paintings
- In summary we raised £419,000 and spent £329,000, resulting in a surplus of £90,000. £72,000 of this surplus was received in the final quarter and is funding for expenditure due to be incurred during 2007-08 for The Sir Jules Thorn Regional Outreach Programme Pilot
- 120 volunteers gave generously of their time to help produce the packs, to provide the postal Library Service, to liaise with our Library Members and to promote our work, making it possible for the money given to go as far as it does
- A new logo and house style for Living Paintings has been designed and implemented

Future Plans:

- Continuing the provision of the free, postal Library Service to our 6,800 Library Members and all those who join in the next twelve months
- Completing the touch and sound packs currently in production and implement new projects designed to meet the needs of our Library Members, match demand from our growing number of beneficiaries and introduce new, interesting subjects to our catalogue.
- Working for the first time on the ground in the community as we embark upon our Regional Outreach Programme Pilot generously funded by a 3 year grant of £226,000 by The Sir Jules Thorn Charitable Trust
- Meeting the challenge of raising the funds needed to support the free Library Service, new touch and sound pack titles and further elements of ShareVision, in particular the employment of the Membership Development Manager

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

OBJECTIVES AND ACTIVITIES

Our Objects

The objects of The Living Paintings Trust, known as Living Paintings, as set out in the Memorandum and Articles of Association, are to relieve and educate blind and partially sighted people

The Need for Our Work

According to the RNIB there are up to 2 million people – about one in thirty of us - in the UK living with severe sight loss, and every day around 100 more people register as blind or partially sighted. One in twelve of us will become blind or partially sighted by the time we are 60 and this rises to one in six by the time we reach 75. In the future, as more of us live longer, these numbers will rise further and the RNIB predict that in 30 years' time there will be 2.5 million sufferers.

Today there are 380,000* registered blind and partially sighted people in this country. The harsh reality is that around 60% of these people live at the "extremes of poverty" and suffer from isolation, exclusion and a lack of support due to severely limited resources. To quote an RNIB report "To all intents and purposes they are the invisible millions that we don't notice or think about".

It is estimated that 80% of all the information that we receive reaches us via our eyes, a fact of particular importance for children who need to absorb and learn so much at a great pace in order to fulfil their potential and take their place in the world.

There are more than 25,000* blind and partially sighted children under 16 in this country. Research makes it clear that these children most definitely want to learn from, experience and do the same things as their sighted friends, brothers and sisters.

(*RNIB quoted)

What Our Work Does - Using Fingers as Eyes

Can someone be moved by a Monet without seeing it? Can a child get to know Thomas the Tank Engine without catching sight of him? Can a person be inspired by great architecture without looking at it? We think so.

At Living Paintings we help blind and partially sighted people 'feel' visual images. We make special versions of pictures with raised surfaces that come to life when fingers feel them. Our sound recordings direct the fingers, telling the stories of the pictures and describing their features. In this way, the senses of touch and hearing combine to make up for the missing sense of sight. We also include colour versions, so sighted friends and family can share the exploration of the pictures, enriching everyone's experience.

We put these 'touch and sound' pictures into an extensive postal library, so visually impaired people can borrow them and gain a feel for the visual world. Different people have different tastes, of course, and we meet all needs. For children, we make illustrated story packs featuring characters such as Winnie the Pooh, The Tiger who came to Tea and The Romans. For adults, we present collections of works of art touching on subjects such as 'Animals in Art', 'The History of English Garden Design' and 'British Birds'.

How much do we charge for lending out these 'Living Paintings'? Nothing. Our service is totally free. This is in order to ensure that cost is not a barrier to people benefiting from it. The Library operates through the post to overcome the burden of restricted mobility suffered by many adult Library Members who are housebound due to their disability and/or age. In the case of visually impaired children who borrow either at school, at home, or both it is essential to maintain free and easy access that would otherwise be restricted by location and budgetary constraints.

By putting blind and partially sighted people in touch with the sighted world, the Living Paintings charity helps end isolation and foster inclusion. In a small but significant way, we provide a level playing field for everyone.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

ACHIEVEMENTS AND PERFORMANCE

Growth in Library Membership

The number of blind and partially sighted people benefiting from Living Paintings has increased to 6,800

We are pleased to report that the number of blind and partially sighted people we reach and who benefit from our work has increased to 6,800, a growth of 6.8% over the year, exceeding our target of 4%. Within this, the number of adults borrowing from our free Library Service of touch and sound packs grew by 6.4% to 3,300, and the number of children by 7% to 3,500. In total 572 people, young and old from all over Britain and Ireland joined the Library.

The number of loans made during the year reflected the growth in the Library Membership and it seems appropriate at this point to draw attention to the incredible efforts of our volunteers who have again successfully met the challenge of processing an ever increasing number of loans and returns. Not only do they prepare the packs, package them up and post them but they also register the returns, select the next loans for each Library Member and quality control each pack as it is made ready to be sent out.

While Living Paintings originated on the Berkshire/Hampshire border, and this remains our base, research confirms that our representation is in proportion to the population in more or less all regions, both 'north' and 'south' across all parts of Britain and Ireland. Additionally, it is notable that where we have volunteers promoting our work in the community in specific geographical areas we can achieve representation that is significantly greater, sometimes three fold.

Examples of How We Have Benefited People

18 years ago a group of 50 visually impaired people worked with us to successfully develop both our touch and sound packs and the Library Service. Additionally, feedback from that group of 50 told us what our work meant to them. This information fuelled the determination of the original volunteer team to overcome the hurdles of setting up a new charity and move forward to create the Living Paintings that we see today.

Not surprisingly therefore, it is the policy of Living Paintings to continually, actively seek feedback from our Library Members. They provide the information that both drives our plans for the future and ensures that our continuing service meets their real needs.

Over recent years we have received over 2,000 completed questionnaires from the parents and teachers of our child Library Members. From adults we receive and process approx 1,000 pieces of correspondence each year many of which contain comments.

With so much feedback on file it is hard to choose just a few comments received that provide an insight into what our work means. However we must try and you will find those comments we have selected to share with you in this Report.

"I find that as my sight deteriorates there grows a terrible hunger in me for beauty. This hunger is appeased to a large extent by means of your tapes and thermoforms. Anything that shows me beauty now out of my reach is very acceptable. The commentaries on the paintings are excellent. Thank you, thank you for the artistry of your Albums. You give me hope – blindness is not the end of everything."

Monitoring and Evaluation

As has been previously mentioned, we place great importance on continually tracking our activity and seeking feedback from our beneficiaries and so thought it useful to add to what has already been reported with the following, brief, information. We monitor our work in various ways including tracking the number of people joining each month, adults and children and young people, by geographical location and the total number of people who are Library Members. We measure the number of loans we provide each month. We maintain direct contact with our beneficiaries. We seek qualitative feedback from them at various stages, including the design of new packs. Feedback forms are sent out with many of our packs and the comments reviewed in detail.

REPORT OF THE TRUSTEES For The Year Ended 31 May 2007

Our Growing Catalogue of Touch and Sound Packs for Children and Adults

With such healthy growth in the number of people borrowing our touch and sound packs it is important to continue to expand the number, breadth and scope of the titles that are available to them. This year has seen great strides forward and we now have over 9,000 packs designed for all ages.

For children we have completed a further 8 titles of our much loved Living Picture Books which bring to life the magical world that is created when words and pictures work together in children's story books. There are now 108 titles available and a further 11 more titles on their way. In addition we have made excellent progress in expanding our catalogue of special interest packs which tie in with and/or complement the National Curriculum and now include such diverse and exciting subjects as 'The History of Space Exploration', 'Victorian Britain', 'Images of Weather' and our 4th Art History Pack based on the life and works of Claude Monet. And, again there are more to come with, 'The Vikings', 'British Wildlife and the Environment', 'The Olympic Games' and 'A Journey Round the World' which is designed to help children to understand various cultures.

"The materials are fabulous – it would be almost impossible to provide curriculum materials of this quality in mainstream schools. I have also shown the packs from Living Paintings to sighted pupils. They provide quite an insight into difficulties faced by pupils with eye conditions."

For adults we were delighted to have completed 'Weather in Art' which includes works of art ranging from Turner's *The Fighting Temeraire* to Lucy Kemp Welch's much loved *Winter's White Silence*. Additionally, we were very pleased to receive funding from one of our long standing supporters for our 30th Album 'Friendship in Art' which will include works such as Monet working on his boat by Edouard Manet and *The Kiss* by Constantin Brancusi. Looking ahead, there is now a list of topics for over 50 Albums requested by our beneficiaries and awaiting funding! In the next year we aim to raise the money needed to commence our 31st and 32nd Albums.

Overall, our beneficiaries are now able to explore and enjoy over 1,400 images which we have adapted. Each week they ask us for more!

With the onset of our programme of development, ShareVision (see page 8), the growth in both our number of beneficiaries and the demand they create for our packs is not only going to continue but it will also expand further. Therefore, now is the time for us to invest in the development of our Library Catalogue and stock levels. The research, design and production of multiple copies of a new touch and sound pack title is complex and takes between 9 and 18 months and financially, we can only embark on the creation of a new pack once the full funding for it has been received. Therefore our particular thanks go to all the generous grantmakers who have funded packs in the last year and we hope that they, along with others, continue and expand their support of this area of our work in order to help us to prepare for our exciting future.

Working Together with Other Organisations

Again this year we have continued to work with various organisations in order to share both knowledge and skills as well as to promote our work. They include Talking Newspapers, RNIB, Guide Dogs, county blind societies, galleries and museums, libraries, schools (more than 500 across the country), as well as teachers and support workers working with visually impaired people. We continue to be part of the Tactile Book Advancement Group, commonly known as T B A G!

During the year we show-cased our work at 25 exhibitions and talks that were focusing on the needs of visually impaired people including Sight Village in Birmingham as well as other events around Britain.

"Your introductory tape through Talking Newspapers could not have fallen through my letter box at a better time. I am now registered partially sighted and at 82 years old like so many people one's independence is very important. At the beginning of this month our local library became self service, no longer would I reach the counter or read the screen displaying action to take when returning audio cds or cassette tapes. This meant arranging accompanied visits. This was no problem but it took away my independence, something else which upset me. As you will understand I would love to take advantage of the wonderful facilities that you are offering."

REPORT OF THE TRUSTEES

For The Year Ended 31 May 2007

Setting in Place our Future Plans

Following a major review we have set in place our 5 year strategy, ShareVision. The aim of ShareVision is to double the number of beneficiaries in the next five years through the development of a phased Regional Outreach Programme. Outline details of ShareVision may be found on page 8

During this last year we have continued to improve our existing resources and introduce new resources that will support our future growth with ShareVision and here are some highlights

Library Service Premises In order to house increased activity, the fast expanding stock and higher staffing and volunteer levels we required additional premises. We acquired Unit 9, Kingsclere Park, a unit adjacent to our existing premises at the end of April 2006. This was made possible thanks to two loans each for a term of 25 years the first for £155,000 from Charity Bank Limited and the second, which is interest and repayment free for the first 10 years, of £55,000 from a private grant making trust. The Trustees greatly appreciate the support of the bank and the grantmaking trust in making the acquisition of the premises possible. During this last year we have fitted out these new premises, at minimal cost and with volunteer support. Thanks to this significant achievement we now have an extended dedicated space for our Library Service capable of supporting a membership level twice our existing size.

Installation of Sound Recording Facilities During this year we installed a much needed soundbooth in the new Library Service premises. This combined with our second hand sound desk with ISDN link has created full recording and production facilities on site.

New Logo and House Style Living Paintings has a new, up to date look that will work well for us as our organization and work develops. The highly respected London design house, Johnson Banks created our new logo and we are enormously grateful to them for their generosity. The new logo and house style are currently being implemented across the organization in such a way that the costs involved are minimal.

National PR/Communications Campaign We have benefited further from the appointment of a part-time PR/Communications Manager to spearhead our efforts to gain wider recognition, to increase our profile and to support membership growth and our fundraising campaign. Particular highlights for the year have been three of our visually impaired editors appearing (separately) on features about Living Paintings on both BBC and ITV regional TV programmes and Jacqueline Wilson being interviewed on 8 radio stations including BBC Radio 4 on the same day about becoming a patron of Living Paintings.

Events/Fundraising Organiser This is the first full year we have benefited from the appointment of the new role of Events/Fundraising Organiser, the purpose being to broaden and increase our income streams by utilising fundraising opportunities within new and untapped audiences, in particular the corporate market, wealthy individuals and those whose networks can be used to support our fundraising efforts. A rolling programme of events is in place with the aim of introducing our work to these new audiences i.e. people who may be able to give to us or, through their networks, introduce our work to others who will make donations to us. In total we raised nearly £59,000 through these events which is an encouraging result. Additionally, we realized a huge value from the networking and relationship building enabled by these events.

The Sir Jules Thorn Regional Outreach Programme Pilot

In Spring 2007 we were delighted to be awarded as a result of a competition a most generous grant of £226,000 over 3 years by the Trustees of The Sir Jules Thorn Charitable Trust for the Pilot for our Regional Outreach Programme. The receipt of this grant represents a major step forward for ShareVision as it means that Living Paintings will be able to work on the ground in the community for the first time. More details can be found on Page 8.

"We who are visually impaired people have much practical assistance nowadays and have much enrichment. I have to say, however, that your generous giving is unique and fills a gap that nothing else does. I am very grateful."

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

FINANCIAL REVIEW

The financial results for the year are shown on pages 17 and 18

In summary we raised £419,000 and spent £329,000, resulting in a surplus of £90,000 £72,000 of this surplus was received in the final quarter and is funding for expenditure due to be incurred during 2007-08 for The Sir Jules Thorn Regional Outreach Programme Pilot

Income

We receive no statutory funding and are entirely dependent on voluntary donations. We are reliant on donations from grant making trusts to fund most of our work. During the year grants from such organisations amounted to 74% of our income.

Overall, thanks to our investment in fundraising activities over the last 18 months and the onset of funding for ShareVision, our income increased from £291,000 to £419,000. There are 2 main components to this year's income:

- 1 Donations and Gifts of £217,000 for the Unrestricted Fund (as defined on page 19). This includes a legacy of £54,000. These donations support our core work of operating the free Library Service to blind and partially sighted people throughout Britain and Ireland.
- 2 Donations and Gifts of £188,000 for the Restricted Fund (as defined on page 19). This income relates to the production of new touch and sound packs, where the production period is usually between 9 and 18 months, to the provision of specific elements of the Library Service and to a grant award of £77,000 from The Sir Jules Thorn Charitable Trust for the Regional Outreach Programme Pilot.

Details of organisations who have made donations are listed on page 12. In addition we received £9,000 of interest on the funds held during the year.

Of the total amount of our income £297,000, or a significant 70%, was received in the latter part of the year. It is also of note that only £50,000 or 12% of the total for the year had been promised prior to the beginning of the financial year. Bearing in mind the significant increase in income over the last 12 months the Trustees have set the prudent comparative income target of approx £420,000 for the upcoming year. We commence the year with promises of donations amounting to £68,000 excluding the grant due from The Sir Jules Thorn Charitable Trust. These figures indicate what a small percentage of our income is secure and thus that the support of our donors is absolutely crucial to our ability to continue the provision of our much needed services.

Expenditure

This year we spent £329,000 on providing an expanded service to a greater number of blind and partially sighted people whilst embarking on the implementation of our development initiative ShareVision. The majority of the growth in expenditure against that of last year can be attributed to new expenditures specifically relating to ShareVision and so we are delighted to report that a very high level of financial control has been achieved.

"The Living Picture Book 'Brown Bread & Honey' was thoughtfully and beautifully set out, with the story telling and descriptions extremely clear to understand and imagine. It must be a real tonic for blind and partially sighted youngsters to be able to enjoy a book just like their sighted friends."

"The adult albums were exceptionally interesting as well as being educational, we can fully understand why, once a member receives a "box", a whole new world opens up for them with new things to explore each time the tape is listened to. We can quite understand why it is a long and costly process to produce each pack, but the pleasure your members must receive must far outweigh this."

From a grant making trust that donates to Living Paintings

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

Our Fund Balances at 31st May 2007

1 The Unrestricted Fund comprises

- a) £66,171 as a General Reserve This represents less than 2 months operating expenditure
- b) £81,569 which is the net book value of the property and equipment for use by the charity, after deduction of the grant from the Foundation for Sport and the Arts, and the amount outstanding on the loans from Charity Bank Ltd and the private grant making trust (see Page 23)
- c) £4,036 that is designated to the Building and Equipment Maintenance Fund

2 The Restricted Fund comprises

- a) £124,734 for funded projects that are not yet completed This mainly relates to the production of new touch and sound packs, where the production period is usually between 9 and 18 months, and for specific elements of the Library Service
- b) £72,017 for the Sir Jules Thorn Regional Outreach Programme Pilot
- c) £27,282 for our Development Fund needed for the continuing support of our development initiative, ShareVision
- d) £52,541 which is the balance of the grant made in 1999 by the Foundation for Sport and the Arts which, together with a Charity Bank loan since redeemed, enabled the Trust to purchase the first of the units it occupies together with fixed assets acquired with funds from The Sir Jules Thorn Charitable Fund for the Regional Outreach programme Pilot

Our Reserves Policy

The Trustees regularly review the funding requirements of the charity They continue to consider it prudent that we aim to establish a cash reserve in the unrestricted fund equivalent to 6 months of normal operating costs in order to provide some protection for variations in income levels - a need highlighted by the fact that only 30% of Living Paintings' total incoming resources was received in the first half of this last year Living Paintings receives no statutory funding and is entirely dependent upon voluntary donations to fund its work.

Our Volunteers

The Trustees continue to be appreciative of the amazing team of unpaid volunteers While some live not far from Living Paintings' base on the Berkshire/Hampshire border, others live throughout Britain They give generously of their time to help produce the packs, to provide the postal Library Service, to liaise with our Library Members and to promote our work They make it possible for the money given to go as far as it does We are grateful to each and every one of them for their unmatched commitment Currently we have 120 volunteers whilst we have the equivalent of just 7 full time staff. Therefore our staff to unpaid volunteer ratio is 1 to 17 The Trustees would find it extremely difficult to place an accurate value on the contribution our volunteers make

"Thank you so much for your speedy and generous service It has been great to have access to specific resources for our children with visual impairment It is difficult to make resources that are accessible to the children in our school and your packs are a great starting point Thanks again and we look forward to our next batch!"

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

PLANS FOR FUTURE PERIODS

SHAREVISION – OUR 5 YEAR STRATEGY

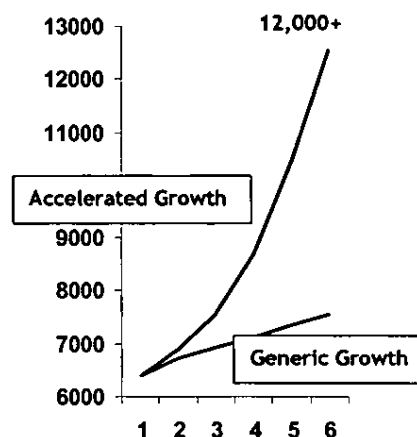
Starting with just 50 blind and partially sighted people in 1989 Living Paintings has gradually grown and now benefits 6,800 people representing, approx

- 1.7% of the 380,000* registered blind and partially sighted people in this country
 - 1.4% of the 25,000* blind and partially sighted children in this country
- (*RNIB quoted)

Research shows that we provide an invaluable service, significantly enriching the lives of our beneficiaries and there is an opportunity for many more of the Royal National Institute of the Blind's estimated 2 million visually impaired people to benefit

ShareVision is our 5 year strategy designed to double the number of blind and partially sighted people we reach and optimise the level of benefit they gain from our services. It encompasses an exciting, ambitious stepped programme of accelerated growth the outcome of which will be at least **12,000 people enjoying and appreciating visual images with Living Paintings**. The four basic steps to be taken are

- Step 1 Strengthening the existing operation,
- Step 2 Improvement of existing, and introduction of new resources,
- Step 3 Library Service Development and then,
- Step 4 Developing and Implementing Regional Outreach



Regional Outreach Programme. The most effective method to achieve the accelerated growth that we seek is to implement a Regional Outreach Programme. A Programme that will see Living Paintings working for the first time on the ground in the community. This is our key goal for ShareVision.

The aim is to develop our work in the community. Starting in one Region, as a pilot we will employ a Community Development Officer, as an outreach worker. They will work on the ground in the community and their purpose will be to find new Library Members and enhance the level of service they receive from Living Paintings. They will

- Develop relationships with appropriate organisations e.g. organisations for blind and partially sighted people, schools, galleries, museums etc
- Establish support services for Living Paintings Library Members in the Region e.g. setting up a volunteer based "buddy system"
- Train professionals and carers of visually impaired people in how to get the best from the Living Paintings services
- Increase the Living Paintings profile in the Region
- Escalate regional fundraising opportunities to the Living Paintings Fundraising team

The result of the Pilot Region will be a clearly researched, tested and evaluated Operational Plan that defines the programme of outreach work to be carried out in each of the further Regions.

- i) The concept is that Community Development Officers will be employed locally within each of the anticipated 8 Regions across Britain and Ireland on a phased basis for a period of about 2 years. These outreach workers will be coordinated and managed by a Community Development Manager based at Head Office. It is anticipated that the Community Development Officer for the Pilot Programme will fill the role of the Community Development Manager.
- ii) Following the 2 year period the Regions will subsequently be supported direct from Head Office.

SHAREVISION – OUR 5 YEAR STRATEGY *Continued*

Additionally, a Membership Development Manager will be appointed who will manage the Library Service Development, including interalia, the development of the website, the management of the Library Membership research, and thereafter to support the growing needs of the Library Members whose number will be increasing significantly as a result of the Regional Outreach. This post will also be essential in providing ongoing support services not only to individuals but also to professionals and carers of visually impaired people.

Some of this year's progress towards the realisation of the 4 steps in our plans is set out in the Achievements and Performance pages 3 to 5 of this Report.

OUR PLANS FOR THIS COMING YEAR

The key features are

- A The continued provision of the free, postal Library Service to our 6,800 Library Members and all those who join in the next twelve months
- B The completion of touch and sound packs currently in production and the implementation of new projects designed to meet the needs of our Library Members, match demand from our growing number of beneficiaries and introduce new, interesting subjects to our catalogue
- C Starting to undertake the work relating to the Pilot of the Regional Outreach Programme as funded by the Sir Jules Thorn Charitable Trust to include
 - Library Membership Market Research/Evaluation. The in depth research lasting 12 months will result in a report that profiles our current beneficiaries and provides detailed statistics and information about our potential market. The purpose is to clarify the most effective approach into the potential market and set the baseline against which the progress of the Regional Outreach Programme will be reported in future. Living Paintings does not have the resources to complete such research internally hence we need to appoint consultants.
 - Employment of the first Community Development Officer. Further details of this role are set out on page 8.
 - Website. The website will be developed in two phases.
Phase 1 – The redesign, to incorporate Living Paintings new logo style, and updating of the existing website as a simple, information bearing "flat site".
Phase 2 – The redesign, update and build of a new, dynamic Living Paintings website. This new website will offer full online services such as joining the Library online, ordering Library Loans online, a full search facility of all the Living Paintings Catalogue, Notice Boards, Interactive Childrens/Schools section.
 - Monitoring and Evaluation of the Benefits of the Regional Outreach Pilot.
This will be conducted by an independent consultant on an annually reviewing basis. Living Paintings do not currently have the resources/expertise to fulfil the ongoing qualitative and quantitative monitoring and evaluation and the Trustees believe that initially it is preferable for this to be undertaken by an independent body. The original Library Membership Market Research will provide the baseline for the reporting.
- D Raise the funds needed to support A and B plus further elements of ShareVision, in particular the employment of the Membership Development Manager.

"Having just listened to Album 29 'Weather in Art I feel the need to send you some of the sunshine you have just put back into my life. How beautifully you describe each picture. The choice of music a joy. The extra information shared, invaluable. I smiled, I smiled, I gasped with wonderment at your enthusiasm. Each album that you have sent me thrills me and I am more than happy to re-listen to each and every one of them. You are enabling me to learn and appreciate a lot more from the art world."

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

STRUCTURE GOVERNANCE AND MANAGEMENT

Governing Document

The Living Paintings Trust was formed in 1988. The Trust was registered with the Charity Commission on 15 February 1989 as a charity. On 31 December 1995 the activities of the charity were transferred to The Living Paintings Trust, a company not having a share capital, limited by guarantee. The company is entitled to those exemptions from UK taxation which are available in law to charities. The Trust is governed by the Memorandum and Articles of Association.

Trustees

The Trustees are also the Directors of the company. Under the requirements of the Memorandum and Articles of Association at the Annual General Meeting one third of the Trustees retire from office, being those who have been longest in office since their last appointment or re-appointment. For details of all our current Trustees year please turn to page 11.

Trustee Change During the Year

We were pleased to welcome Dani Curtis as a Trustee in January 2007. Dani is visually impaired and has been an important part of Living Paintings since its beginning.

Trustee Recruitment

The responsibility for appointing new members of the Board rests with the existing Trustees. The aim is to ensure that the membership of the Board includes people with varied skills and interests such as business strategy, charity sector, education, finance, art history, human resources, law and visual impairment and any other expertise which is needed particularly with a view to supporting the roll out of our development programme. The Trustees use their extensive networks to source possible new appointees and their details are brought to and discussed at a Trustees' Meeting. A potential Trustee is then invited to meet with the Charity Director and talk with two existing Trustees prior to a formal proposal for appointment being made.

Induction and Training of Trustees

The induction and training process is two fold. Arrangements are made to familiarise a new Trustee with their responsibilities using the Charity Commission's guide 'The Essential Trustee' and the Living Paintings Memorandum and Articles of Association. New Trustees are extensively briefed about Living Paintings' current position, finances, plans for the future and their expected role. They will meet with members of the staff team and some of the many volunteers who explain the various elements of the charity's work.

Our Responsible Approach

The Trustees have continued to refine our risk management strategy. This has included a review of the major risks which the charity may encounter, and the establishment and enhancement of procedures to mitigate these identified risks. The Trustees are satisfied that adequate systems are in place to mitigate any exposure to our major risks, in particular financial and operational.

Organisational Structure

The Trustees have overall responsibility for the work of the charity. They agree policy, strategy and the financial budgets. There is a Management Committee which includes a minimum of two Trustees, currently the Vice Chairman and Treasurer, and appropriate staff members which has the responsibility for reviewing in detail the work of the charity. Progress on policy, strategy, the financial budgets and operational issues is reported through the Management Committee to the Trustees on a quarterly and annual basis. The day to day operation of the Trust's affairs is delegated to the Charity Director.

Administration

The administrative and secretarial duties of the charity are undertaken in the Kingsclere office which are now the company's registered office. Details of the professional advisors are set out on page 14.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

OUR PATRONS

We were delighted that **Jacqueline Wilson OBE** became a Patron In January 2007 Jacqueline was the Children's Laureate 2005-07 She works full-time as a writer and is an extremely popular author, particularly with the nine to eleven year age range She has sold over ten million books, which have been translated into over thirty languages, and at one point in 2000, six of her books were listed among the top ten bestselling children's paperbacks Jacqueline has also written radio plays for the BBC and her series of books for older readers has been filmed for ITV television Her books have also been adapted for radio,

We were very sad to learn of the death in May 2007 of our Patron **Sir Oliver Millar, GCVO, FBA** Sir Oliver devoted more than 40 years to the care and the cataloguing of paintings in the Royal Collection, latterly as Surveyor of the Queen's Pictures and Director of the Royal Collection He had been a trustee of the National Portrait Gallery, a member of the Reviewing Committee on Export of Works of Art, a member of the executive committee of the National Art Collections Fund, Visitor at the Ashmolean Museum and a trustee of the National Heritage Memorial Fund We were honoured when he became our Patron in 1989 and greatly appreciate the wise counsel and guidance which he provided over the years We extend our sympathy to his family in their sad loss

OUR TRUSTEES AT 31ST MAY 2007

Alison Oldland <i>Chairman</i>	Former lecturer in art history and art appreciation Founded Living Paintings in 1989 Received National Arts Collections Fund award for "an outstanding contribution to the creative arts" Received the first Guardian/Jerwood Award for individual excellence in the charity field Awarded the MBE
Robin Aird	Former senior partner with Pitmans, Reading where he set up and acted for various charities Trained as solicitor with McKenna & Co London Chairman of InterAct Europe EEIG, an association of European independent law firms Former Trustee of the Newbury Spring Festival
Robin Althaus	Former stockbroker and member of the Securities Industry Trustee of the National Hospital Development Foundation for The National Hospital for Neurology and Neurosurgery Former Chairman of the City Liaison Group with Parliament
Derek Coulson <i>Treasurer</i>	Qualified Accountant FCCA Chief Executive of the Caspian Group, the largest independent operator of fast food restaurants for Burger King in the UK Chairman of the UK Franchise Association Former Chief Executive and Chairman of Gowrings Plc
Dani Curtis	Beneficiary of Living Paintings Formerly with RNIB, Projects by the Blind and Fundraising Manager with Guide Dogs
Kevin Deegan	Senior Peripatetic Teacher for Visually Impaired People London Borough of Sutton Former Teacher at Linden Lodge School for Visually Impaired People MA in Education (Dissertation in Cognitive Mapping for the Blind) Organist HM Prison Wandsworth
Stuart Fletcher	President International Diageo plc, following various management, financial and operational roles within the Group in USA and Asia Pacific and Europe Previously with Procter & Gamble and United Glass
Christopher Lloyd	Surveyor of The Queen's Pictures 1988 – 2005 Trustee of the National Art Collections Fund President National Association of Fine & Decorative Arts Societies, Governor of Gainsborough's House at Sudbury, Suffolk Former Curator at Christ Church Oxford and Ashmolean Museum Oxford Awarded the CVO
Colin Storm <i>Vice Chairman</i>	Former Board member Diageo Plc, Chief Executive Guinness Limited, Chief Executive Officer Burger King, Miami Former Trustee Dublin City University Educational Trust Vice President Middlesex Young People's Clubs
Alex Wilson	Group Human Resources Director BT Group Previously with Ford, Grand Metropolitan, Guinness, Diageo and ICI Foundation Board of leading international business school, IMD, Lausanne, Switzerland School Governor and active supporter of KidsOut

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

OUR DONORS: 1st June 2006 – 31st May 2007

Living Paintings is a voluntary organisation that receives no statutory funding. Our service is entirely dependent on voluntary donations. Listed below are organisations who made donations.

The Sir Jules Thorn Charitable Trust	The Girdlers Company Charitable Trust
The Beecroft Charitable Trust	Pitmans
The John Ellerman Foundation	Newbury Methodist Church
The Underwood Trust	Diageo Foundation
The Band Trust	Aggregate Industries PLC
The Brian Mercer Charitable Trust	The Paul Bassham Charitable Trust
The Mercers' Company	The Benham Charitable Settlement
BBC Children in Need	Berkshire Granfers Bowling Association
The Eveson Charitable Trust	The Cecilia Charity for the Blind
The Batchworth Trust	The Coutts Charitable Trust
The Headley Trust	The Gilbert & Eileen Edgar Foundation
John Horniman's Children's Trust	The Emmandjay Charitable Trust
The Ernest Kleinwort Charitable Trust	The Good Neighbours Trust
The Marchday Charitable Trust	The Charles Littlewood Hill Trust
The George A Moore Foundation	The W M Mann Foundation
The Philip Oppenheimer Foundation	Marsh Christian Trust
The Gerald Palmer Eling Trust	The Dons Pacey Charitable Foundation
The Henry Smith Charity	Parador Properties Charitable Trust
Stevenson Family's Charitable Trust	The Shears Foundation
The 29th May 1961 Charitable Trust	The Florence Turner Trust
The Monument Trust	The Woodroffe Benton Foundation
The Fence Club Trust Fund	YSC
Dandia Charitable Trust	BNI - Newbury
R G Hills Charitable Trust	The Frances Crabtree Charitable Trust
Miss Agnes H Hunter's Trust	Anzere Service
The R S Macdonald Charitable Trust	AWE PLC
The Steel Charitable Trust	Ormonde Charitable Trust
Abbey Charitable Trust	The Fitton Trust
Lifeline 4 Kids	J A Floyd Charitable Settlement
The Russell Trust	KPMG
The Thomas Farr Charity	Macmillan JCC Club
The Kobler Trust	Newbury Building Society
PF Charitable Trust	The Norman Family Trust
Berkshire Community Foundation	The Wolseley-Hughes Charitable Trust
The David Brooke Charity	PayPoint plc
The Wilfred & Elsie Elkes Charity Fund	The Sydney Black Charitable Trust
The A W Gale Charitable Trust	Sir Jeremiah Colman Trust
Thatcham Town Council	Eddie Dinshaw Foundation
The Colefax Charitable Trust	The Jack Goldhill Charitable Trust
The Elmgrant Trust	The E J H Stephenson Charitable Trust
The Englefield Charitable Trust	Newbury Quakers
The Walter Guinness Charitable Trust	The Bellinger Donnay Charitable Trust
May Hearnshaw Charitable Trust	The Collier Trust
The Kilfinan Trust	Hamstead Marshall PCC
Lions Club of Chichester	Maiden Erleigh Ladies Club
The Ormsby Charitable Trust	Anthony and Deirdre Montagu Charitable Trust
The Dr Mortimer and Theresa Sackler Foundation	Moose International Yeovil
The Studd Charitable Trust	Rotary Club of Newbury
Major Simon Whitbread Charitable Trust	Rotary Club of Richmond
The Worshipful Company of Spectacle Makers	Mr G J Ward Charitable Trust

Additionally, we received highly valued gifts made by friends to Living Paintings and beneficiaries. We also received invaluable support in kind from organisations, companies and individuals.

To each and every person, group, business and grant making trust who have supported us this year we extend the greatest of thanks. It is their generosity that makes our work possible.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

CONCLUSION

It has been an exciting year for Living Paintings during which we have achieved excellent positive progress whilst building an ever strengthening base from which to look forward to a future full of promise

Making a difference to the lives of people who cannot see is why Living Paintings exists and therefore the following are what we feel to be the main features of the last twelve months

- ◆ The number of blind and partially sighted people benefiting from our service has risen to nearly 7,000, half of whom are children.
- ◆ Our Library Catalogue has considerably expanded in number, breadth and scope enabling us to pursue our objective of not only increasing the number of people we reach but also improving the service they receive from us
- ◆ We have made significant progress with ShareVision, our 5 year strategy to double the number of people who benefit from Living Paintings. Not only have we continued to strengthen our organisation in readiness for the accelerated growth that will come as a result of ShareVision but also we have raised the money needed to implement the Pilot for our all important Regional Outreach Programme. Now, thanks to the generous support of The Sir Jules Thorn Charitable Trust, our dream of working on the ground in the community will begin to become a reality

Looking to the next twelve months, it is not going to be easy. We have a lot of work to do and, thanks to our growth, we have what is for our tightly resourced organisation a high income target to meet

Last year we asked all our supporters, volunteers and generous donors to walk beside us as we take the next steps into our future. This, to our enormous gratitude, they have done thus making it possible to present such a positive report this year. Now, we must ask again. Without our friends and partners we cannot continue on our path. We are dependent on their support to make our ambition of bringing light into the lives of 12,000 blind and partially sighted children, young people and adults happen

"Living Paintings and all its original "team" have lit a flame that has enhanced the whole quality of life for everyone whose path it has crossed. This flame will flare even brighter in times ahead and blaze a trail far and wide, and for more than those with visual impairments!"

Comment from one of our original 50 beneficiaries

**REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007**

ADMINISTRATIVE AND PROFESSIONAL INFORMATION

Charity Name:	The Living Paintings Trust
Charity Registration Number:	1049103
Company Registration Number:	3095963
Address:	Queen Isabelle House Unit 8, Kingsclere Park Kingsclere Newbury Berkshire RG20 4SW
Registered Office:	As above
Trustees:	Alison Oldland MBE (Chairman) Robin Aird Robin Althaus Derek Coulson FCCA (Treasurer) Danuta Curtis (Appointed January 2007) Kevin Deegan Stuart Fletcher Christopher Lloyd CVO Colin Storm (Vice Chairman) Alex Wilson Derek Coulson and Colin Storm are members of the Management Committee
Charity Director:	Camilla Oldland
Bankers:	Bank of Scotland, Beauclerc House, 3 Queens Road, Reading, Berkshire, RG1 4AR CAF Bank Limited, PO Box 289, West Malling, Kent, ME19 4TA
Auditors:	James Cowper, Phoenix House, Bartholomew Street, Newbury, Berkshire, RG14 5QA
Solicitors:	Pitmans, 47 Castle Street, Reading, Berkshire, RG1 7SR

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2007

STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period. In preparing those financial statements, the trustees are required to

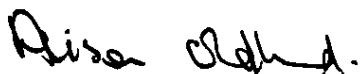
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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 are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

ON BEHALF OF THE BOARD:



Alison Oldland – CHAIRMAN

Dated: 31.01.07

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

We have audited the financial statements of The Living Paintings Trust for the year ended 31 May 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees who are also the directors of The Living Paintings Trust for the purposes of company law are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions is not disclosed.

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

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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 May 2007, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the trustees' report is consistent with the financial statements

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

Date

6/8/2008

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MAY 2007
(including Income and Expenditure Accounts)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2007	Total 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary Income</i>					
Donations and Gifts	2	217,229	110,950	328,179	259,604
Development Fund for ShareVision	2	-	-	-	25,000
The Sir Jules Thorn Regional Outreach Pilot	2		76,977	76,977	
<i>Activities for generating funds</i>					
Product sales		1,230	2,845	4,075	-
Investment income	2	9,534	-	9,534	6,312
TOTAL INCOMING RESOURCES		227,993	190,772	418,765	290,916
RESOURCES EXPENDED					
Cost of generating voluntary income	2	61,008	-	61,008	59,331
Charitable activities	2	124,142	130,126	254,268	205,904
Governance	2	13,531	-	13,531	10,230
TOTAL RESOURCES EXPENDED	5	198,681	130,126	328,807	275,465
NET INCOME/EXPENDITURE		29,312	60,646	89,958	15,451
Total funds brought forward at 1 June 2006		<u>122,464</u>	<u>215,928</u>	<u>338,392</u>	<u>322,941</u>
TOTAL FUNDS CARRIED FORWARD AT 31 MAY 2007		<u>151,776</u>	<u>276,574</u>	<u>428,350</u>	<u>338,392</u>

The statement of financial activities includes all gains and losses recognised in the period and all incoming resources and resources expended derive from continuing activities

ANALYSIS OF FUNDS CARRIED FORWARD AT 31 MAY 2007:

Unrestricted Fund

General Reserve	£66,171
Property & Fixed Assets for use by charity	£81,569
Building and Equipment Maintenance Fund	£4,036
	<u>£151,776</u>

Restricted Fund

Funded Projects awaiting completion	£124,734
Development Fund for ShareVision	£27,282
The Sir Jules Thorn Regional Outreach Pilot	£72,017
Property & Fixed Assets for use by charity	£52,541
	<u>£276,574</u>

Total Funds Carried Forward **£428,350**


The notes form part of these financial statements


THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 May 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	340,683	331,061
CURRENT ASSETS:			
Debtors	8	16,247	4,022
Cash at bank & in hand – Development Fund		27,282	49,854
Cash at bank & in hand – Projects funded but not yet complete		125,499	115,675
Cash at bank & in hand – The Sir Jules Thorn Regional Outreach Pilot		<u>72,017</u>	
Cash at bank and in hand - Other		<u>76,240</u>	<u>70,494</u>
		317,285	240,045
CREDITORS: Amounts falling due within one year	9	(26,027)	(26,113)
NET CURRENT ASSETS:		291,258	213,932
TOTAL ASSETS LESS CURRENT LIABILITIES		631,941	544,993
CREDITORS: amounts falling due after more than one year	10	(203,591)	(206,601)
TOTAL NET ASSETS	12	428,350	338,392
UNRESTRICTED FUNDS:	2		
General Reserve		66,171	39,492
Property and Fixed Assets for use by charity	13	81,569	71,302
Building & Equipment maintenance fund	11	4,036	5,000
Unit 9, Kingsclere Park Set-Up fund	11	-	6,670
		<u>151,776</u>	<u>122,464</u>
RESTRICTED FUNDS:	2		
Projects Funded not yet completed		124,734	115,674
Development Fund for ShareVision	11	27,282	49,854
Sir Jules Thorn Regional Outreach Pilot		72,017	-
Property and Fixed Assets for use by charity	14	<u>52,541</u>	<u>50,400</u>
		276,574	215,928
		428,350	338,392

ON BEHALF OF THE BOARD:


Alison Oldland – CHAIRMAN


Derek Coulson FCCA - TREASURER

Approved by the Board on 31.02.07

The notes form part of these financial statements

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2007

1 STATUS OF THE COMPANY

The Living Paintings Trust is a registered charity and a company 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 liquidation. At 31 May 2007 there were 10 members (2006 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

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (revised 2005), applicable accounting standards and the Companies Act 1985

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 and investment income

Restricted funds

These resources arose from donations given by the donors to finance specific projects. This relates mainly to production of new touch and sound packs for which the production period is usually between 9 and 18 months, The Sir Jules Thorn Regional Outreach Programme Pilot and specific elements of the Library Service

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

Resources expended

Resources expended are accounted for on an accruals basis in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (revised 2005)

- All direct charitable expenditure relates to production of Library resources and provision of services
- Governance 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 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, fund-raising and the governance of the charity. Instead, for the purpose of these financial statements, the Trustees have apportioned total expenditure between these headings on a proportionate basis (excluding expenditure on the Development Fund for ShareVision which is all restricted direct charitable expenditure), in accordance with the Trustees' careful consideration and judgement

Salaries are allocated according to each staff members' time contribution to each of the headings

Purchase costs for the components of the touch and sound packs are all allocated to direct charitable expenditure

All other expenditure is apportioned to each of the headings according to either time or use of space and in some cases where deemed appropriate, by a specific apportionment

Once the allocations have been made they are then broken down into those costs applicable to the Restricted Fund and those costs applicable to the Unrestricted Fund

The apportionments are allocated according to a detailed grid that is reviewed annually, or in the interim if deemed necessary, by the Trustees

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2007

Production costs of all touch and sound packs

The costs of producing touch and sound packs are 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 of fixed assets on a straight line basis over their estimated useful economic lives as follows

Equipment	-	5 to 10 years
Leasehold buildings	-	50 years

Generally it is the policy of the Trust to capitalise expenditure of greater than £100 when it will be used within the charity for a number of years

3 NET INCOMING RESOURCES

	2007 £	2006 £
Results for the year are stated after charging		
Depreciation	13,550	6,935
Loss on disposal of assets	-	1,114
Auditors' remuneration	<u>2,650</u>	<u>2,500</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 (2006 £Nil) Of those members none (2006 none) received amounts for reimbursed expenses during the year

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total 2007 £	Total 2006 £
Cost of generating funds					
Fund-raising	53,185	7,146	677	61,008	59,331
Charitable expenditure:					
Direct charitable expenditure	124,072	118,000	12,196	254,268	205,904
Governance	<u>5,875</u>	<u>6,979</u>	<u>677</u>	<u>13,531</u>	<u>10,230</u>
	<u>183,132</u>	<u>132,125</u>	<u>13,550</u>	<u>328,807</u>	<u>275,465</u>

6 STAFF NUMBERS AND COST

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

	2007	2006
Production	3	3
Fund-raising and publicity	2	2
Administration and management	1	1
Library	<u>2</u>	<u>2</u>
	<u>8</u>	<u>8</u>

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2007

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

	2007 £	2006 £
Wages and salaries	166,345	163,702
Social security costs	<u>16,787</u>	<u>16,139</u>
	<u>183,132</u>	<u>179,841</u>
No employee earned £60,000 per annum or more		

7 TANGIBLE FIXED ASSETS

	Leasehold premises £	Equipment £	Total £
COST:			
At beginning of year	340,510	47,506	388,016
Additions	-	23,172	23,172
Disposal	-	<u>(474)</u>	<u>(474)</u>
At end of year	<u>340,510</u>	<u>70,204</u>	<u>410,714</u>
DEPRECIATION:			
At beginning of year	24,081	32,874	56,955
Charge for year	6,811	6,739	13,550
Eliminated on disposals	-	<u>(474)</u>	<u>(474)</u>
At end of year	<u>30,892</u>	<u>39,139</u>	<u>70,031</u>
NET BOOK VALUE:			
At 31 May 2007	<u>309,618</u>	<u>31,065</u>	<u>340,683</u>
At 31 May 2006	<u>316,429</u>	<u>14,632</u>	<u>331,061</u>

The leasehold premises comprise 2 leases each of 999 years calculated from 29th September 1986 each at a rent of £100 per annum

8 DEBTORS

	2007 £	2006 £
Accrued income	12,057	-
Other debtors	<u>4,190</u>	<u>4,022</u>
	<u>16,247</u>	<u>4,022</u>

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2007

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
		£
Trade creditors	342	-
Bank loans and overdrafts	2,982	2,751
Other creditors	<u>22,703</u>	<u>23,362</u>
	<u>26,027</u>	<u>26,113</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank and grant making trust loans	<u>203,591</u>	<u>206,601</u>

In order to finance the acquisition of one of it's leasehold premises, Unit 9, Kingsclere Park, the Trust raised two loans in April 2006, one from The Charity Bank Limited for £155,000 and one from a grant making trust for £55,000. The bank loan is secured by a first fixed charge over the leasehold premises, Unit 9, Kingsclere Park. The loan from the grant making trust is secured by a second fixed charge over these premises.

Analysis of debt

	2007	2006
	£	£
Debt can be analysed as falling due		
In one year or less	2,982	2,751
Between one and two years	2,680	2,940
Between two and five years	10,034	10,034
Over five years	<u>190,877</u>	<u>193,627</u>
	<u>206,573</u>	<u>209,352</u>

11 FUNDS

The movement in the unrestricted and restricted funds is disclosed in the Statement of Financial Activities on page 15. The nature and purpose of such funds is described in note 2 to the financial statements.

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

Funds designated as the Unit 9 set up fund have been utilised in the year.

During the year the Trust continued raising money towards the costs of implementing its plans for development under the project titled Share Vision as described on page 8.

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2007

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted income funds £	Total £
Fund balances at 31 May 2007 are represented by			
Tangible fixed assets	288,142	52,541	340,683
Current assets	93,252	224,033	317,285
Current liabilities	(26,027)	-	(26,027)
Creditors amounts falling due after more than one year	<u>(203,591)</u>	<u>-</u>	<u>(203,591)</u>
	<u>151,776</u>	<u>276,574</u>	<u>428,350</u>

13 THE UNRESTRICTED FUND "PROPERTY & FIXED ASSETS FOR USE BY THE CHARITY"
is calculated as follows

Leasehold Premises (Note 7)	309,618
Less balance of The Foundation for Sport and the Arts Grant (Note 14)	(49,200)
Less outstanding loans from Charity Bank Limited & Grant making trust for Unit 9, Kingsclere Park	(206,573)
Equipment	31,065
Less asset acquisition against The Sir Jules Thorn Fund	(3,341)
	<u>81,569</u>

14 COMMITMENTS

During the year ended 31 May 1999 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 full in the event that ownership or use of the property changes.

15 RELATED PARTY TRANSACTIONS

During the year the Trust received a cash donation from an organisation associated with a company for whom one Trustee works.

Organisation	Name	2007	2006
Diageo plc/ The Diageo Foundation	Stuart Fletcher	£600	500