

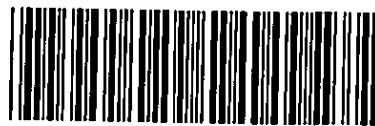
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THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2008

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FRIDAY



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REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

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AND FINANCIAL STATEMENTS
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**REPORT OF THE TRUSTEES
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INTRODUCTION

Living Paintings transforms the lives of thousands of blind and partially sighted people every day and this year has been no exception. Be they children, adults or people in their later years we have provided access to a world of pictures that is essential for the development, fulfilment, learning, entertainment and, thus, well being of us all. Not only that but our work for children is now recognised as a key component in the range of resources available for developing reading skills – to quote one of our wonderful supporters, Sir Derek Jacobi we “give the gift of reading”. Our work with teachers and schools has again made it possible for visually impaired children to fully engage with aspects of their education that they were hitherto excluded from.

We have seen major progress not only in the number of people that we reach but also in expanding the service we provide while putting in place strong foundations on which to build our future. We have had many highlights during the year and of particular significance are:

- ◆ 813 blind and partially people, young and old newly joined our free, postal Library meaning that we daily help transform the lives of 7,400 people from all over Britain and Ireland. Of this number 3,900 are children. We see this as our most important achievement as it represents what Living Paintings is all about - the people.
- ◆ We implemented our new programme of work in the community which forms the cornerstone to our 5 year strategy, ShareVision. Our first Community Development Officer has been in place for just 6 months and yet the impact that her work is having is already profound. Through her networking we have learnt that the need for what we do considerably exceeds our expectations at the time of planning ShareVision. In simple terms by working face to face with visually impaired people, their carers, teachers, rehabilitation officers and other people/organisations who support them we have discovered they suffer from a lack, in some cases severe, of general, consistent support. Given this environment it is clear that by taking a positive, pro-active approach there is so much we can do to help subject to the resources becoming available. It has been immensely rewarding to realise that not only was our decision to start working in the community more than correct but also that there is clearly an enormous amount that Living Paintings can yet do to transform the lives of many more blind and partially sighted people.

Some other exciting highlights of our year have been:

- 22 new pack titles, each with multiple copies, have been added to the Library shelves and are in production, including ‘Friendship in Art’ for adults, 16 new Living Picture Books and ‘The Olympic and Paralympic Games’ for children.
- 9,500+ touch and sound packs are now available, presenting over 1,500 different images.
- Dame Jacqueline Wilson, the popular children’s author and one of our Patrons, read extracts from her books at our Living Paintings Children’s Tea Party while Oscar winner Julian Fellowes and his wife Emma led a very successful Quiz Night.
- Full use has been made of our new sound recording facilities enabling us to take recordings from studios far and wide ‘down the line’. People who have recorded audio descriptions for our packs in this way include Neil Oliver, Colin Jackson plus 12 other Olympians and Paralympians, and Kate Humble amongst many others.
- Our new website www.livingpaintings.org has gone live with success.

**THE LIVING PAINTINGS TRUST
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- 'Touching Stories', our first DVD telling people about our work, its breadth, scope and impact was published.
- 130 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.
- Independent Research with global company TNS has been commissioned and is underway.
- In brief we raised £389,000 and spent £382,000, resulting in a small surplus of £7,000.

Having achieved so much for a comparatively small amount of money we are, of course, looking to the next 12 months and these are our key objectives for the coming year:

- To continue the provision of the free, postal Library Service to our 7,400 Library Members and all those who join in the next twelve months.
- To complete 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.
- To continue working for the first time on the ground in the community and, benefiting from what we have learnt, expanding this work further.
- To meet the challenge of raising the funds needed to support the free Library Service, production of new touch and sound pack titles and further elements of ShareVision including extending our programme of work in the community.

We will not be able to reach our targets without the continued help of our supporters and partners both existing and new. They include:

our volunteers who are growing in number and whose committed contribution is extensive and just seems to keep on increasing;

those who make donations be they larger organisations or generous hearted individuals who have the foresight to see the value of our work; and

those companies who give us their services either pro bono or at heavily discounted rates.

Living Paintings wouldn't be without them – quite literally.

With their help we have built the most excellent, robust foundations from which to launch our plans for future growth. These plans are now 'taking off' in the best possible way and yet we are faced with an economic climate that is set to do just the opposite. We need support and we need it now – as a charity that is operating on approx £400,000 - £450,000 per year and yet is daily transforming the lives of 7,400 people it is clear that we are a highly effective organisation where every penny given yields way more than its fiscal worth would lead one to expect. Give to Living Paintings and just watch how far we can make your donation go.

To end we extend our deepest gratitude to all those who have joined us in making this an exciting, positive year that we can all be proud of. Together we will do even more in the coming year.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

OBJECTIVES AND ACTIVITIES

Our Objects

The objects of The Living Paintings Trust, known as Living Paintings, 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 the RNIB "*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 ensures 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 and to ensure national coverage. 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 2008

SHAREVISION – OUR 5 YEAR STRATEGY – an Outline

Starting with just 50 blind and partially sighted people in 1989 Living Paintings has gradually grown. At the time we were setting our future plans we benefited 6,000 people or approx:

- 1.8% of the 380,000* registered blind and partially sighted people in this country.
- 14% of the 25,000* blind and partially sighted children in this country. (*RNIB quoted)

Research showed that we provide an invaluable service, significantly enriching the lives of our beneficiaries and there was an opportunity for many more of the RNIB's estimated 2 million visually impaired people to benefit.

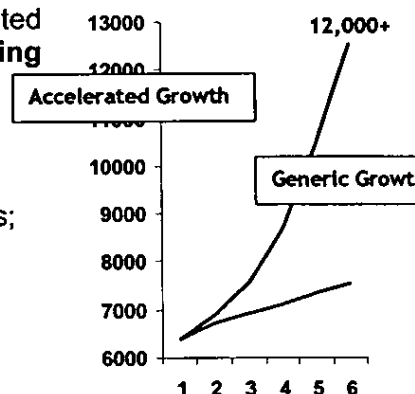
ShareVision is our 5 year strategy designed to double the number of blind and partially sighted people we reach and optimise the level of benefit they gain from our services. It is an exciting, ambitious stepped programme of accelerated growth the **outcome of which will be at least 12,000 people enjoying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

Step 1. Strengthening the existing operation by continuing, the provision of the current service; with generic expansion;

Step 2. Improvement of existing, and introduction of new resources;

Step 3. Further Development of our Library Services;

Step 4. Developing and Implementing a programme of community work.



The most effective method to achieve the accelerated growth that we seek is to start working on the ground in the community for the first time (Step 4). Therefore a programme of community work will be implemented across the country in phases:

Starting in 'Region 1', which will act as a Pilot Project, there will be a Community Development Officer whose purpose will be work on the ground in the community finding new Library Members and enhancing the level of service/benefit received. 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. creating a volunteer based "buddy system".
- Train professionals and carers of visually impaired people how to get the best from our 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 community work to be carried out in each of the further Regions.

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 each for a period of about 2 years. These community workers will be coordinated and managed by a Community Development Manager based at Head Office. Following the 2 year period the Regions will subsequently be supported direct from Head Office.

Additionally, a Library Membership Development Officer will manage the development of the Library Service, including the website, the management of the Library Membership research, and thereafter ensure the growing needs of the increasing number of Library Members are met. This post is essential in providing ongoing support services not only to individuals but also to professionals and carers of visually impaired people.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

SHAREVISION ACHIEVEMENTS AND PERFORMANCE

7,400 blind and partially sighted people of all ages were benefiting from our work as of 31st May 2008

Step 1 of ShareVision. Strengthening the existing operation by continuing the provision of the current service, with generic expansion

The number of blind and partially sighted people we reach has increased to 7,400, a growth of 6.9% over the year. Within this, the number of adults borrowing from our free Library Service of touch and sound packs grew by 10.3% to 3,700, and the number of children by 4% to 3,700. In total 813 people, young and old from all over the UK 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.

Our Volunteers We continue to be enormously grateful to each and every one of our volunteer team for their unmatched commitment which is mentioned, quite rightly, over and again in this report. While some live not far from Living Paintings' base on the Berkshire/Hampshire border, others live throughout Britain. Our current staff to unpaid volunteer ratio is 1 to 14 however our volunteer workforce is growing at a pace. Because of the diversity of their work we would find it extremely difficult to place an accurate value on the contributions our volunteers make.

Research confirms that again this year our Library Membership representation reflects the population statistics in more or less all regions, both 'north' and 'south' across all parts of Britain and Ireland. Additionally, it has been 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. Moreover the membership and borrowing activity has grown at a significant rate in those areas where our first Community Development Officer is working.

Examples of How We Have Benefited People 19 years ago a group of 50 visually impaired people worked with us to develop successfully both our touch and sound packs and the Library Service and their feedback on what our work meant to them 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. 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. Thus it is hard to choose just a few comments received that provide an insight into what our work achieves. However we must try and you will find those comments we have selected to share with you in this Report.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

SHAREVISION ACHIEVEMENTS AND PERFORMANCE

Step 2 of ShareVision Improvement of existing, and introduction of new resources

We have continued to improve our existing resources and introduce new resources that will support the future growth generated by ShareVision for example:

Library Service Premises We are now benefiting fully from the acquisition of Unit 9 Kingsclere Park, a unit adjacent to our existing premises. We acquired this unit in order to house increased activity, the fast expanding stock and higher staffing and volunteer levels. This was made possible thanks to two loans one from Charity Bank Limited and the second from a private grant making trust. We greatly appreciate the continued positive support of both these organisations.

Sound Recording Facilities Our high quality sound recording facility with purpose built soundbooth has been well used this year. Also our ISDN link enabled us to take recordings remotely from many contributors and celebrities from all parts of England, Scotland, Wales and Northern Ireland including from 13 Olympic and Paralympic competitors for our new children's pack 'The Olympic and Paralympic Games'.

New Logo and House Style We have been implementing our new logo and house style and it now appears on all packs, stationery, the website etc. Additionally, according to and in order to support our communications strategy, we have been developing a series of new publications reflecting this house style.

National PR/Communications Campaign A new, highly experienced, part-time Communications Officer has been appointed to spearhead our efforts to gain wider recognition, to increase our profile and to support membership growth and our fundraising campaign. A new communications strategy has been developed and adopted. In the last 12 months our media coverage alone has more than doubled as compared to the previous year.

A new DVD 'Touching Stories' We produced our first DVD which tells how our work benefits blind and partially sighted people, how the work is done and how people can support us. This was made possible by a donation from GlaxoSmithKline and the generosity of numerous people who gave their time and expertise to make it possible. We are very proud of this piece of work and copies are available from our office.

Events/Fundraising Organiser We have benefited further 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 has been established 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. These events have included select dinners, 'at homes', a children's Tea Party with popular author Dame Jacqueline Wilson and a Quiz Night with Julian and Emma Kitchener-Fellowes. In total we raised over £70,000 from this type of fundraising and realized a huge value from the networking and relationship building opportunities created by these events.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

SHAREVISION ACHIEVEMENTS AND PERFORMANCE

Step 3 of ShareVision . Further Development of our Library Services

The Sir Jules Thorn Charitable Trust Factor

In Spring 2007 we were delighted to be awarded as a result of a competition a grant of £226,000 over 3 years by the Sir Jules Thorn Charitable Trust for the Pilot Region in our new community work programme. This grant pays for some of the key elements in Steps 3 and 4 of ShareVision and represents a major step forward as it means that Living Paintings has been able to start to working on the ground in the community for the first time.

Library Membership Research We commissioned an international research company, TNS, to undertake extensive independent market research. The overall research objective is to give us a better understanding of the market in which we operate. Within this overall objective, there were a number of desired outcomes:

- To *fuel* Living Paintings' thinking with regard to the objective of doubling the number of people reached by the service.
- To *achieve* findings to support Living Paintings' fundraising argument.
- To *provide* a benchmark against which subsequent performance can be measured.

There were also a number of specific issues which needed to be addressed:

- Proof that Living Paintings' *delivery* is working for the end-users.
- Look into the accrued *benefits* of Living Paintings' service – how it impacts on other area of peoples' lives.
- Collate benchmark user *demographics* to establish breadth & depth of Living Paintings' existing reach and specifically ascertain information about age, ethnicity and religion in order to fulfil some grant makers' requirements.

Initial in depth interviews are completed resulting in the design of questionnaires for the groupings: adults, teachers and parents of visually impaired children. Work started on interviewing at least 500 blind and partially sighted people in our 3 sample groups.

Website Development Phase 1 the redesign and information up date of our website has been completed thanks to the exceptional support of Agency Republic. Set up for Phase 2 which will see the design and build of an updated, newly dynamic website with full online services such as joining the Library, ordering loans, searching our catalogue of resources, an interactive children's section etc. has begun.

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 and their demographics and the total number of people who are Library Members. We measure the number of loans/returns/renewals transactions we complete each month.

We maintain direct contact with our beneficiaries through which we gain qualitative feedback. The independent Market Research will contribute the benchmarks for future Monitoring and Evaluation.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

SHAREVISION ACHIEVEMENTS AND PERFORMANCE

Step 3 of ShareVision Further Development of our Library Services - Continued

Expansion of 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 and the onset of the accelerated growth we seek through ShareVision initiatives it is essential to continue to expand the number, breadth and scope of the titles that are available. This year has seen great strides forward and we now have almost 9,500 packs.

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 120 titles available and a further 8 more titles on their way. 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', 'Ancient Greece', 'Images of Weather' and an Art History Pack based on the life and works of Monet. And, again there are more to come: 'British Wildlife and the Environment', 'The Vikings', 'The Olympic and Paralympic Games' and 'A Journey Round the World' which is designed to help children to understand various cultures as well as our 5th Art Pack based on paintings from the National Gallery.

'Blind youngsters can feel left out if they don't understand the pictures that are such an important part of children's stories. By providing images that can be "felt" Living Paintings ensures that children with limited or no vision can share the experiences of their sighted friends. My job in describing the Dragon and the Mouse in this story is to help them imagine the fear that both conjure up despite the huge difference in size – and the fact that the smaller of the two triumphs! It's nice to work with simple technology that does so much.'

Maggie Philbin on recording the script for a Living Picture Book for blind children

Adults: Our 30th Album 'Friendship in Art' which has been funded by one of our long standing supporters is nearing completion. This Album includes works such as 'Monet working on his boat' by his friend Edouard Manet and 'The Kiss' by Constantin Brancusi. We have secured funding during the year for a new Adult Album on Wildlife as part of our plan to broaden the topics which our beneficiaries would like to explore. Looking ahead, there is now a list of topics for over 60 Albums requested by our beneficiaries and awaiting funding! In the next year we aim to raise the money needed to commence our 32nd and 33rd Albums.

'My favourite Album so far was the one about British Wild Birds. I live in an area with a huge bird population and am trying to recognise them by their songs. It gives me enormous pleasure to be able to visualise their shapes and colours whilst listening to their voices.'

An adult beneficiary from Lincolnshire

Overall, our beneficiaries are now able to explore and enjoy over 1,500 images which we have adapted. Each week they ask us for more!

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

SHAREVISION ACHIEVEMENTS AND PERFORMANCE

Step 4 of ShareVision Developing and Implementing a programme of community work.

The Pilot for the programme of work in the community has begun in Region 1 – South/South East – an area chosen because it is ‘close to home’ which facilitates the in depth reporting that is required to successfully develop a Community Work Plan that will be implemented in phases across 7 further regions.

Community Development Officer In January 2008 our first Community Development Officer was appointed and, following an extensive induction and training programme, started work on the ground in April. We chose Hampshire as our first county because it provides wide challenges in the form of inner city and large rural populations, a county council and two unitary authorities. The initial focus has been on extensive and detailed research on how to reach visually impaired adults and in particular through their intermediaries. This is because there is no centrally available register of such information.

Following this research, during May contact was made with voluntary groups and organisations working with visually impaired people, social services departments, health workers, nursing and care homes, parish councils, libraries and the new ‘Discovery Centres’ through various means. Outcomes have included meetings, talks, demonstrations and requests for articles in newsletters. This has led to further networking opportunities, and a new ability to respond to individual requests from such groups and organisations.

This increase in capacity has meant that we have been able to attend more exhibitions than was previously possible, and as a result have seen a sharp increase in the number of new people introduced to the Library in this way. Information is also being gathered with regards to how to support people in using the library in their own homes, particularly elderly people and those in need of additional support, through partnership working with organisations that already provide a home visiting service.

The initial results are very encouraging in promoting our work and in reaching and benefiting visually impaired people and will shape our work in further counties in the South East during the coming year.

Working Together with Other Organisations We continue to work with various organisations in order to share both knowledge and skills as well as to promote our work. They include Talking Newspapers, R.N.I.B., 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. This type of collaborative work is now growing at a pace thanks to the efforts of our new Community Development Officer for whom it is an important part of their role. Also we show-cased our work at 20 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. For the first time we displayed our children’s work at the London Book Fair.

Library Membership Development Officer. In April we made an appointment to this new role with the purpose of ensuring that the Library successfully reaches and supports the rapidly growing membership particularly in light of the new interest and activity being generated by our programme of work in the community. Following an induction programme the person took on the responsibility for managing the development of the website, the management of the Library Membership research and the development of the Library systems. This appointment was made possible by a grant from The Foyle Foundation.

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

FINANCIAL REVIEW

The financial results for the year are shown on pages 18 and 19.

In summary we raised £389,000 and spent £382,000, resulting in a surplus of £7,000.

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 80% of our income.

Our total income fell slightly from £419,000 to £389,000, a reduction of £30,000, £22,000 of which was accounted for by agreed changes to timings of payments from The Sir Jules Thorn Charitable Trust. Overall we are encouraged by the support that has been shown to us. We continue to benefit from our investment in fundraising activities. There are 2 main components to this year's income:

1. Donations and Gifts of £107,000 for the Unrestricted Fund (as defined on page 20.) 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 £267,000 for the Restricted Fund (as defined on page 20). 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 the 2nd year grant payment of £55,000 from The Sir Jules Thorn Charitable Trust for the Pilot of our programme of work in the community and further gifts for specific ShareVision projects.

Details of organisations who have made donations are listed on page 15. In addition we received £15,000 of interest on the funds held during the year.

Of the total amount of our income £271,000, or a significant 70%, was received in the latter part of the year. It is also of note that, excluding the Sir Jules Thorn Charitable Trust grant, only £68,000 or 21% of the total for the year had been promised prior to the beginning of the financial year.

The Trustees have set the budget income target of £450,000 for the upcoming year. Excluding the promised grant from the Sir Jules Thorn Charitable Trust of £72,000 we need to raise £378,000. We commence the year with promises of donations amounting to £57,000 towards this sum. These figures indicate what a small percentage of our income, 15%, 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. Also we look to raise additional sums to fund further specific projects within ShareVision

Expenditure

This year we spent £383,000 on providing an expanded service to a greater number of blind and partially sighted people whilst embarking on the implementation of our 5 year strategy, ShareVision. The majority of the growth in expenditure from £329,000 last year can be attributed to new expenditures specifically relating to ShareVision and in particular the implementation of the Pilot for the Sir Jules Thorn programme of work in the community. We are delighted to report that a very high level of financial control has been achieved.

'As a writer and actor, I have made my living out of words and visual images, trying to entertain, but above all, to reach, whomever may be watching. But the blind are also out there, deserving entertainment and art and stimulation, and for the most part, they are denied it. Because so much of our world is geared only to the sighted. For this reason I am, determined to open as much as possible, to anyone who is blind or partially-sighted.'

Julian Fellowes Talking before the Quiz Night

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

Our Fund Balances at 31st May 2008

1. The Unrestricted Fund comprises:

- a) £82,616 as a General Reserve. This represents less than 3 months operating expenditure.
- b) £75,131 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) £3,036 that is designated to the Building and Equipment Maintenance Fund.

2. The Restricted Fund comprises:

- a) £67,389 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.
- b) £73,737 for the Library Fund. This relates to donations which have been given specifically for various elements of the Library Service, including donations for the provision of the library service in specific geographical areas.
- c) £59,972 for the pilot of the Sir Jules Thorn Regional programme of work in the community
- d) £20,615 for our Development Fund needed for the continuing support of our development initiatives within ShareVision.
- e) £52,358 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 pilot of our programme of work in the community.

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.

'I'm writing to congratulate you on the Living Picture Book adaptation of Pass the Jam, Jim, which arrived this morning. What a wonderful surprise. I am so, so impressed. It's a fantastic package. I had no idea it would be as brilliant as this. I really love what you have done and will produce it regularly when I do author visits to infant schools.'

Kay Umansky, author of Pass the Jam, Jim

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

PLANS FOR FUTURE PERIODS

Our plans for future periods are shaped by our 5 year strategy ShareVision as set out on 4. The key features of our plan for this coming year are:

- A. The continued provision of the free, postal Library Service to our 7,400 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. Continue to undertake the work relating to the Pilot of our programme of work in the community as funded by the Sir Jules Thorn Charitable Trust to include:
 - Independent Library Membership Market Research/Evaluation. Complete this research resulting in a report that profiles our current beneficiaries and will help to clarify the most effective approach into the potential market and set the baseline against which the progress of the ShareVision will be reported in future.
 - Our first Community Development Officer continuing to work in counties in South East England, piloting various methods of outreach to establish the most effective methods to increase the numbers of people we reach and the improve the level of benefit they gain from the service they receive from us. Further details of this role are set out on page 9.
 - Website. Following the completion of Phase 1 we will embark on Phase 2 which is the redesign, update and build of a new, dynamic Living Paintings website. This is a major project which will take place over 2 years.
 - Monitoring and Evaluation of the progress made thanks to ShareVision. 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 additional elements of ShareVision to enable us to develop further our work. In order for us to achieve this we need our existing partners to continue to work beside us and new partners to join their number and all to give generously. In particular we plan to form a ShareVision Appeal Committee to help with the fundraising.

'My group has very much enjoyed the World War 2 pack, although it provoked difficult memories for some. We allowed time for general talk and for anyone who wanted to tell their story. The group thought that the pack added colour and understanding to what would be taught about the reasons for the War and that it was presented sensitively and with the right degree of seriousness.'

Pat, Norwich

REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008

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.

Our Patrons and President

We were delighted that Sir Timothy and Lady Sainsbury became Patrons during the year. Sir Timothy is a former MP and Minister of State. He is currently a Trustee of the V & A Museum. Sir Timothy and Lady Sainsbury have been keen supporters of Living Paintings for over 15 years.

They join Dame Jacqueline Wilson who 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 children's author. She has sold over ten million books.

Our President. Our Founder Alison Oldland retired as Chairman of Living Paintings in April 2008 and was invited to become President.

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 please turn to page 25x.

Trustee Change During the Year

In April 2008 our Founder Alison Oldland retired as Chairman. Alison had the wonderful inspiration which led to the founding of Living Paintings in April 1989. A lecturer in art history and art appreciation, during the last 19 years Alison has dedicated her life to the development of Living Paintings. Alison received the National Arts Collections Fund award for "an outstanding contribution to the creative arts" and received the first Guardian/Jerwood Award for individual excellence in the charity field. She was also awarded the MBE. Following her retirement as Chairman and in recognition of her inspired work and leadership the Trustees invited her to become President. She remains closely involved in our work, helping with the selection of images and with writing scripts for packs for both adults and children. Colin Storm was elected Chairman and Derek Coulson as Vice Chairman. *(Alison died in October 2008)*

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.

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

**REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008**

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 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 Chief Executive, formerly known as the Charity Director.

Our Trustees At 31st May 2008

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> <i>Vice Chairman</i>	Qualified Accountant. FCCA. Chief Executive of the Caspian Group, the largest independent operator of fast food restaurants for Burger King in the UK. Former 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 Ashmoleum Museum Oxford. Awarded the CVO.
Colin Storm <i>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.

Administration

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

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.

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

**REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008**

OUR DONORS: 1st June 2007 – 31st May 2008

Living Paintings is entirely dependent on voluntary donations listed below are organisations who made donations:

The Sir Jules Thorn Charitable Trust	Aggregate Industries Ltd
The Foyle Foundation	Eleanor Barton Trust
The Vodafone UK Foundation	Benham Charitable Settlement
The Underwood Trust	The Bergqvist Charitable Trust
The Joseph Rank Trust	The Coutts Charitable Trust
The John Ellerman Foundation	The John Cowan Foundation
The Band Trust	Diageo Foundation
The Brian Mercer Charitable Trust	The Gilbert & Eileen Edgar Foundation
GlaxoSmithKline	The Emmandjay Charitable Trust
BBC Children in Need	The Good Neighbours Trust
The Eveson Charitable Trust	The Charles Littlewood Hill Trust
BT Group plc	Loddon Valley Lions Club
The D'Oyly Carte Charitable Trust	The W M Mann Foundation
The Worshipful Company of Grocers	Marsh Christian Trust
John Horniman's Childrens Trust	Ormsbury Charitable Trust
The Marchday Charitable Fund	Sandra Charitable Trust
The George A Moore Foundation	The Jessie Spencer Trust
The Gerald Palmer Eling Trust	The Florence Turner Trust
Austin and Hope Pilkington Trust	The Woodroffe Benton Foundation
The 29th May 1961 Charitable Trust	Ormonde Charitable Trust
The Sheldon Trust	The Really Useful Group Limited
Stanley Spencer General Charitable Trust	PinkGreen Creative Limited
The Marjorie & Geoffrey Jones Charitable Trust	The Sydney Black Charitable Trust
The Fence Club	Norman Collinson Charitable Trust
The Freemasons' Grand Charity	Cruden Foundation Limited
International Golf Charity Limited	Augusta Charitable Trust
The Ironmongers' Company	Bartlett Taylor Charitable Trust
The Mackintosh Foundation	The Bulldog Trust
The Platinum Trust	The Fitton Trust
Sandra Charitable Trust	J A Floyd Charitable Settlement
Newbury Young Farmers Club	KPMG
The Childwick Trust	Newbury Building Society
The Drapers' Charitable Fund	Mr and Mrs J A Pye's Charitable Settlement
The Clare Milne Trust	The Wolsely Charitable Trust
Michael Shanly Charitable Trust	Eddie Dinshaw Foundation
The Worshipful Company of Spectacle Makers Charity	The Atlantic Foundation
The David Brooke Charity	R S Brownless Charitable Trust
The A W Gale Charitable Trust	The Collier Trust
The Walter Guinness Trust	Jack Goldhill Charitable Trust
The Dr and Mrs A Darlington Charitable Trust	Mr G J Ward Charitable Trust
The Hilda Black Charitable Trust	Kingsclere Methodist Church
The R M Burton 1988 Charitable Trust	Hamstead Marshall Parochial Church Council
The Carmen Butler-Charteris Charitable Trust	Sigma Partnership
Chapman Charitable Trust	Tong School, Bradford
Dandia Charitable Trust	The Ammco Trust
May Hearnshaw's Charity	Cantrill
Ladbokes in the Community Charitable Trust	Rotary Club of Maiden Erlegh
Lions Club of Chichester	St Patrick's School Birstall
The Sir James Roll Charitable Trust	T.H.E.
The Wixamtree 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.

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

**REPORT OF THE TRUSTEES
For The Year Ended 31 May 2008**

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:

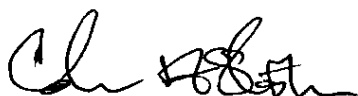
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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.

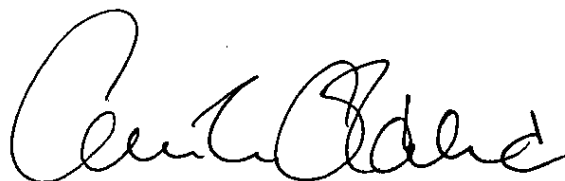
AUDITORS

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:



Colin Storm
Chairman



Camilla Oldland
Chief Executive

Dated: 20th January 2009

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

**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 2008 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 2008, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements 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 27/1/2009

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MAY 2008
(including Income and Expenditure Accounts)

	Note s	Unrestricted Funds £	Restricted Funds £	Total 2008	Total 2007 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary Income:</i>					
Donations and Gifts	2	106,764	166,393	273,157	328,179
The Sir Jules Thorn Community Programme Pilot	2	-	55,299	55,299	-
Development Fund for ShareVision	2	-	45,000	45,000	76,977
<i>Activities for generating funds:</i>					
Product sales		542	-	542	4,075
Investment income	2	<u>15,067</u>	<u>-</u>	<u>15,067</u>	<u>9,534</u>
TOTAL INCOMING RESOURCES		<u>122,373</u>	<u>266,692</u>	<u>389,065</u>	<u>418,765</u>
RESOURCES EXPENDED					
Cost of generating voluntary income	2	64,437	-	64,437	61,008
Charitable activities	2	35,909	269,195	305,104	254,268
Governance	2	<u>13,020</u>	<u>-</u>	<u>13,020</u>	<u>13,531</u>
TOTAL RESOURCES EXPENDED	5	<u>113,366</u>	<u>269,195</u>	<u>382,561</u>	<u>328,807</u>
NET INCOMING/OUTGOING RESOURCES		9,007	(2,503)	6,504	89,958
Total funds brought forward at 1 June 2007		<u>151,776</u>	<u>276,574</u>	<u>428,350</u>	<u>338,392</u>
TOTAL FUNDS CARRIED FORWARD AT 31 MAY 2008	12	<u>160,783</u>	<u>274,071</u>	<u>434,854</u>	<u>428,350</u>

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

ANALYSIS OF FUNDS CARRIED FORWARD AT 31 MAY 2008:

Unrestricted Fund	
General Reserve	£82,616
Property & Fixed Assets for use by charity	£75,131
Building and Equipment Maintenance Fund	<u>£3,036</u>
	<u>£160,783</u>
Restricted Fund	
Funded Projects awaiting completion	£67,389
Library Fund	£73,737
Development Fund for ShareVision	£20,615
Sir Jules Thorn Community Programme Pilot	£59,972
Property and fixed assets for use by charity	<u>£52,358</u>
	<u>£274,071</u>
Total Funds Carried Forward	<u>£434,854</u>

The notes form part of these financial statements.

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
31 May 2008

	Notes	2008 £	2007 £
FIXED ASSETS:			
Tangible assets	7	326,951	340,683
CURRENT ASSETS:			
Debtors	8	93,062	16,247
Cash at bank & in hand – Development Fund		20,615	27,282
Library Fund		73,737	
Cash at bank & in hand – Projects funded but not yet complete		67,389	125,499
Cash at bank & in hand- The Sir Jules Thorn Community Programme Pilot		59,972	72,017
Cash at bank and in hand - Other		<u>48,827</u>	<u>76,240</u>
		363,602	317,285
CREDITORS: Amounts falling due within one year	9	<u>(55,183)</u>	<u>(26,027)</u>
NET CURRENT ASSETS:		<u>308,419</u>	<u>291,258</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		635,370	631,941
CREDITORS: amounts falling due after more than one year	10	<u>(200,516)</u>	<u>(203,591)</u>
TOTAL NET ASSETS	12	<u>434,854</u>	<u>428,350</u>
UNRESTRICTED FUNDS:			
General Reserve	2	82,616	66,171
Property and Fixed Assets for use by charity	13	75,131	81,569
Building & Equipment maintenance fund	11	<u>3,036</u>	<u>4,036</u>
		<u>160,783</u>	<u>151,776</u>
RESTRICTED FUNDS:			
Projects Funded not yet completed	2	67,389	124,734
Library Fund		73,737	-
Development Fund for ShareVision	11	20,615	27,282
Sir Jules Thorn Community Programme Pilot		59,972	72,017
Property for use by charity	14	<u>52,358</u>	<u>52,541</u>
		<u>274,071</u>	<u>276,574</u>
		<u>434,854</u>	<u>428,350</u>

ON BEHALF OF THE BOARD:

Colin Storm- CHAIRMAN

Derek Coulson FCCA - TREASURER

Approved by the Board on...

20th January 2009

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 2008**

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 2008 there were 9 members (2007:9).

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

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2008

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:

Computer Equipment	-	3 years
Leasehold buildings	-	50 years
Office Equipment	-	5-10 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

	2008	2007
	£	£
Results for the year are stated after charging:		
Depreciation	16,917	13,550
Loss on disposal of assets	-	-
Auditors' remuneration	<u>2,702</u>	<u>2,650</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 (2007: £Nil). Of those members none (2007: none) received amounts for reimbursed expenses during the year.

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	Total 2008	Total 2007
	£	£	£	£	£
Cost of generating funds:					
Fund-raising	58,597	4,995	845	64,437	61,008
Charitable expenditure:					
Direct charitable expenditure	162,474	127,404	15,226	305,104	254,268
Governance	<u>6,448</u>	<u>5,726</u>	<u>846</u>	<u>13,020</u>	<u>13,531</u>
	<u>227,519</u>	<u>138,125</u>	<u>16,917</u>	<u>382,561</u>	<u>328,807</u>

6. STAFF NUMBERS AND COST

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

	2008	2007
Production	3	3
Fund-raising and publicity	2	2
Administration and management	1	1
Library	<u>4</u>	<u>2</u>
	<u>10</u>	<u>8</u>

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2008

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

	2008 £	2007 £
Wages and salaries	206,840	166,345
Social security costs	<u>20,679</u>	<u>16,787</u>
	<u>227,519</u>	<u>183,132</u>

No employee earned £60,000 per annum or more.

7. TANGIBLE FIXED ASSETS

	Leasehold premises £	Computer Equipment £	Equipment £	Total £
COST:				
At beginning of year	340,510	-	70,204	410,714
Transfers	-	20,332	(20,332)	-
Additions	-	2,576	609	3,185
Disposal	-	-	(4,088)	(4,088)
At end of year	<u>340,510</u>	<u>22,908</u>	<u>46,393</u>	<u>409,811</u>
DEPRECIATION:				
At beginning of year	30,892	-	39,139	70,031
Transfers	-	7,828	(7,828)	-
Charge for year	6,810	6,508	3,599	16,917
Eliminated on disposals	-	-	(4,088)	(4,088)
At end of year	<u>37,702</u>	<u>14,336</u>	<u>30,822</u>	<u>82,860</u>
NET BOOK VALUE:				
At 31 May 2008	<u>302,808</u>	<u>8,572</u>	<u>15,571</u>	<u>326,951</u>
At 31 May 2007	<u>309,618</u>	-	<u>31,065</u>	<u>340,683</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

	2008 £	2007 £
Accrued income	85,300	12,057
Other debtors	<u>7,762</u>	<u>4,190</u>
	<u>93,062</u>	<u>16,247</u>

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2008

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
		£
Trade creditors	0	342
Bank loans and overdrafts	3,131	2,982
Other creditors	<u>52,052</u>	<u>22,703</u>
	<u>55,183</u>	<u>26,027</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	£	£
Bank and grant making trust loans	<u>200,516</u>	<u>203,591</u>

In order to finance the acquisition of one of its 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

	2008	2007
	£	£
Debt can be analysed as falling due:		
In one year or less	3,131	2,982
Between one and two years	3,324	2,680
Between two and five years	7,254	10,034
Over five years	<u>189,939</u>	<u>190,877</u>
	<u>203,648</u>	<u>206,573</u>

11. FUNDS

The movement in the unrestricted and restricted funds is disclosed in the Statement of Financial Activities on page 20. 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.

During the year the Trust continued raising money towards the costs of implementing its plans for development under the strategy titled ShareVision as described on page 4.

THE LIVING PAINTINGS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 May 2008

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted income funds £	Total £
Fund balances at 31 May 2008 are represented by:			
Tangible fixed assets	272,425	52,358	326,951
Current assets	141,889	221,713	363,602
Current liabilities	(55,183)	-	(55,183)
Creditors: amounts falling due after more than one year	<u>(200,516)</u>	<u>-</u>	<u>(200,516)</u>
	<u>158,615</u>	<u>274,071</u>	<u>434,854</u>

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

Leasehold Premises (Note 7)	340,510
Less balance of The Foundation for Sport and the Arts Grant (Note 14)	(48,000)
Less asset depreciation	(16,917)
Less outstanding loans from Charity Bank Ltd & Grant making trust for Unit 9, Kingsclere Park	(203,647)
Equipment	3,185
	<u>75,131</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 cash donations from two organisations associated with companies for whom a Trustee works:

Organisation	Name	2008	2007
Diageo plc / The Diageo Foundation	Stuart Fletcher	£500	£600
BT Group plc	Alex Wilson	£5,000	-

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

ADMINISTRATIVE AND PROFESSIONAL INFORMATION

For The Year Ended 31 May 2008

Charity Name: The Living Paintings Trust (known as Living Paintings)

**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
(Retired as Chairman January 2008)
Robin Aird
Robin Althaus
Derek Coulson FCCA
(Treasurer) (appointed Vice Chairman April 2008)
Dani Curtis
Kevin Deegan
Stuart Fletcher
Christopher Lloyd CVO
Colin Storm
(Vice Chairman, appointed Chairman January 2008)
Alex Wilson

Derek Coulson and Colin Storm are members of the
Management Committee.

Chief Executive: 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