

Registered number: 3095963
Charity number: 1049103

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

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CONTENTS

	Page
ADMINISTRATIVE AND PROFESSIONAL INFORMATION	2
REPORT OF THE TRUSTEES:	
Objectives and Activities	3
Impact of our work	4
Highlights of the Last 12 Months	6
The Future (Our Work Plan)	8
Structure, Governance and Management	9
Our Trustees	10
Our Volunteers	10
Our Reserves Policy	12
Financial Review	12
Our Donors (1 st June 2016 – 31 st May 2017)	13
Statement of Trustees Responsibilities	15
REPORT OF THE INDEPENDENT AUDITORS	16
STATEMENT OF FINANCIAL ACTIVITIES	18
BALANCE SHEET	19
CASH FLOW STATEMENT	20
NOTES TO THE FINANCIAL STATEMENTS	21

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 MAY 2017**

Trustees

Alex Wilson, Chairman
Neil Walke, Treasurer
Catherine Bailey
Corianda Brown
Danuta Curtis
Vicki Harris
Catriona Macritchie
Jennifer Scott
Robert Talson

Alex Wilson and Neil Walke are members of the
Management Committee

Trustees resigned during the year

Felicity Moffat (resigned November 2016)

Company registered number
3095963

Charity registered number
1049103

Registered office

Queen Isabelle House
Unit 8, Kingsclere Park
Kingsclere
Newbury
Berkshire
RG20 4SW

Company secretary
Camilla Oldland

Chief Executive
Camilla Oldland

Independent auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Bankers

Bank of Scotland

The Edinburgh Royal Mile Branch
300 Lawn Market
Edinburgh
EH1 2PH

Newbury Building Society

105b Northbrook Street
Newbury
Berkshire
RG14 1AA

CAF Bank Limited

PO Box 289
West Malling
Kent
ME19 4TA

Solicitors

Pitmans

47 Castle Street
Reading
Berkshire
RG1 7SR

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017**

OBJECTIVES AND ACTIVITIES

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"**.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

About our work – Charity Publishers with a purpose

Living Paintings are publishers of unique Touch to See books for blind and partially sighted children, young people and adults. Our purpose is to relieve the social and educational isolation that they suffer throughout their lives. Our method is to make the visual images that colour and inform our lives accessible to them.

We design, create and publish Touch to See books for all ages. These include raised tactile pictures accompanied by atmospheric, educational and entertaining audio guides. The audio guides, often narrated by famous people, help fingers explore the tactile images, tell the stories of the pictures and describe their features. In this way, the senses of touch and hearing combine to make up for the missing sense of sight. By including colour images of the topics in the tactile pictures, our books can be shared with sighted friends, family and classmates.

Our Touch to See books are provided completely free of charge from our postal library so all visually impaired people, no matter where they live or their financial circumstances, can borrow them and gain a feel for the visual world.

With us, **adults** explore subjects such as British wildlife and countryside, English gardens, architecture, the history of the teddy bear, history of art, and they can even take a tour of Edinburgh and other cities. They can enjoy all these topics and many more as a member of one of our community **Touch to See Book Clubs**, or at home with family and friends.

Children have fun and learn with our Touch to See versions of well known illustrated children's books such as The Very Hungry Caterpillar and The Gruffalo. Our educational range of books assist the teaching and learning of subjects across the National Curriculum - and they are excellent for homework help too. These books creatively communicate through touch and sound what the Romans did, how people in Tudor times lived, a wide range of science subjects and much more. We know that most of our young visually impaired members attend integrated schools, so our resources offer the opportunity for positive, shared learning experiences in class. In addition our special interest range stimulates a visually impaired child's own enjoyment and exploration of topics including Dinosaurs, World Music, Seashore and Space.

Teenagers and young people can absorb themselves in our collection designed to support and stimulate teen interest areas such as; Fashion, Football, Film, Theatre and Music.

'Access to this material at school and home not only helps my son understand some of the more visual subject matter, but also encourages other children to do science experiments with him and have fun.' Parent

'When I lost my sight I thought I wouldn't be able to do anything. I got very depressed. But since coming to the Book Club I have felt so much better. I talk about things I wouldn't normally talk about and get hints on living with sight loss. This has helped me to live with my own sight loss.' Book Club member

As a small charity, **volunteers** are the key to the creation and delivery of our work and their contribution is what makes it possible to achieve so much with donations received. Our team of 300 volunteers undertake a range of tasks, many of which require specialist skills and training including hand-painting raised images, research and script writing for audio guides, manual assembly and repairs of books, and processing transactions through the Library. Included in their number of many famous faces who give of their time free, most often to record the audio descriptions for the Touch to See books. They include Sir Derek Jacobi, Joanna Lumley, Alan Davies, Michael Sheen, Lord Fellowes, Jo Whiley, Dallas Campbell and Sir Robert Winston amongst many more.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

OBJECTIVES AND ACTIVITIES CONTINUED

The Need for our Work - the invisible millions

Evidence from the UK Vision Strategy confirms that sight loss is now a major concern in the UK with significant health, social and economic impacts. The RNIB state that there are **two million people who are blind or partially sighted and this number is set to grow to 2.25 million by 2020.**

For children and young people

- 26,000 are under the age of 18;
- 65% of visually impaired children are in mainstream education;
- 80% of the information that we receive reaches us via our eyes, a fact particularly pertinent for blind and partially sighted children as they struggle to learn alongside their sighted peers;
- They are more likely to have had their condition from very early life (identified in the first year);
- 43% have experienced bullying because of their sight loss
- 86% have found themselves excluded from activities by their peers.
- The prevalence rate is so low that a mainstream setting is unlikely to have sufficient knowledge and experience to meet their requirements.

For adults

- 85% are over the age of 65 and in the large part lost sight due to ageing;
- 60% live at the "extremes of poverty";
- half live alone;
- 20% are housebound;
- Half feel moderately or completely cut-off from people around them,
- Older adults are three times more likely to experience depression compared to those with good vision,
- Guide Dogs estimate that 180,000 blind and partially sighted people never go out alone;
- Many older people struggle to retain a 'will to live' in the face of increasing sight loss.

These people face challenges of mobility, social inclusion, achieving an education and securing a job; two thirds of blind people of working age are not in education, employment or training. Many are struggling with the harsh realities of the emotional and practical devastation of losing sight at an age when new challenges are not easily met, whilst finding themselves increasingly cut off and with little or no support from severely limited and fast diminishing community services; 250,000 who are over 75 report that they receive little or no help from their local social care services.

For blind and partially sighted children. 'All suffer isolation and exclusion. They are more likely to live in a family experiencing financial hardship. They are likely to have less exposure to social and cultural events, have fewer friends and do less physical activity. Parents and teachers perceive them as performing less well at school than their sighted peers. Not surprisingly, there is evidence to suggest that they are less secure and confident from a psychological perspective. They are more likely to be bullied at school, have concentration or behavioural problems and feel unhappy, downhearted or low.' *RLSB, RNIB and NatCen Social Research 2012*

Also, the findings of the Organisation for Economic Co-operation and Development state that, "*Reading was a more important indicator of future success than any socio-economic factors*" a statement that is key to the importance of our service, as we are enabling and encouraging visually impaired children to learn to read and inspiring an enjoyment of books in doing so.

What impact does our service have on the lives of blind and partially sighted people?

Our Touch to See books provide the catalyst for blind and partially sighted people to **learn, aspire and achieve.**

Thanks to comprehensive independent market research conducted over 3 years to 2011, we know that:

- **Living Paintings has improved the quality of life for 98% of new users** with 44% rating the level of improvement as 8/10 or more. 23% rated it as 10/10 (excellent).
- **50% of respondents have discovered a new interest.**
- **Living Paintings' overall service is rated as excellent**, with an average of 76% considering it to be 'Excellent'.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

OBJECTIVES AND ACTIVITIES CONTINUED

Our Touch to See library service helps blind and partially sighted people of all ages to:

- engage with new learning and interests;
- learn essential life skills;
- socialise to a far greater extent and beyond the scope of their home;
- take on new activities/challenges;
- start new/develop existing friendships;
- be stimulated, have fun and want to do more;
- integrate with their sighted peers on an equal basis;
- take a more active part in their local community and benefit to a greater extent from community services;
- grow their self confidence and self esteem.

All of the above has been learnt through extensive, direct feedback from members over the years, our 3 year independent market research project and the various case studies and trials recently completed including:

Children's Impact Survey completed 2017 which reported:

- 78% of blind and partially sighted children have improved confidence thanks to Living Paintings

For those blind and partially sighted children who receive Living Paintings' service:

- 87% have experienced an increase in learning in general
- 82% are more interested in reading for pleasure
- 83% are more interested in learning in an educational setting
- 64% contribute more to class activities and discussions

Thanks to Living Paintings' service, blind and partially sighted children's confidence in the following activities has risen by:

- 39% reading
- 17% playing
- 24% joining a club
- 7% taking up a hobby
- 17% talking to adults

Touch to See Book Clubs Impact Survey completed 2017 reported that of the blind and partially sighted participants:

- 100% have started new/developed existing relationships; 70% 'a great deal'
- 80% have taken on new activities/challenges
- 82% have discovered new services available to them
- 90% have gained in self worth; 40% 'a great deal'
- 91% have gained in self confidence; 55% 'a great deal'
- 80% have ventured out from home to a greater extent; 30% 'a great deal'

"Sometimes I am busy doing lots of things, December in particular as people send you invites to events and lunches. But during the quieter months I feel very isolated. What keeps me going is that I know the book club always meets once a month without fail. It is the one consistent thing in my life. I love it! Gives me a purpose and a feeling of belonging."

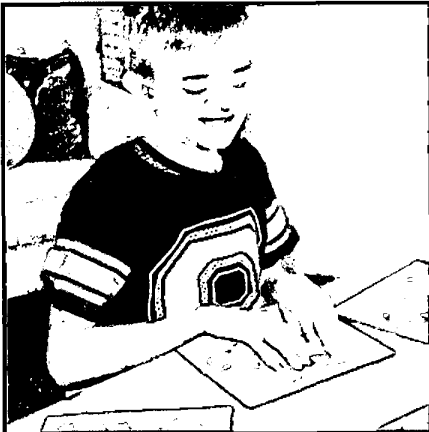
"Living Paintings descriptions help me to develop my own art work, it has given me confidence and helped me to feel like I can achieve something again."

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

HIGHLIGHTS OF THE LAST 12 MONTHS

Every single person who is told they are going to lose their sight will be devastated; every parent who realises their precious child is blind, knows they will face a lifetime of exclusions and tough challenges. We at Living Paintings are helping to bring pleasure, learning and new friendships to children, young people and adults with sight loss by providing our unique Touch to See books, with their raised images and audio guides, website and Book Clubs. Thanks to generous support from funders and volunteers alike, we are today transforming the lives of blind and partially sighted children and adults across the UK, with free loans of our unique books from our nationwide, postal library. We have 14,500 library members nationally, an increase of 14% in the last 12 months, and here are the stories of just three whose lives you have helped change.



Louis is 15 and has been a member of the Living Paintings library since he was 3. He enjoys our teenage titles and also volunteers for us, road testing our books before they go into production. His mum says: ***'Living Paintings has a significant impact on his life. They have given him a love of books and a vivid imagination. He is a keen and articulate writer and is doing really well at school, due to the number of books he has borrowed over the years. It is a really worthwhile and useful charity for visually impaired people of all ages, and not only offers books and pictures, but advice and resources on many other things. Louis discovered books that he would not have had access to, if not for Living Paintings.'***

Jennifer lost her sight in later life and is recently widowed: ***'Living Paintings adds such a dimension to my life. Now I'm on my own the books are company. I feel like I am always learning new things and that's so important when you get older, as it keeps you ticking over.'*** The books provide a link with the outside world and she looks forward to exploring each one of them: ***'I think myself very fortunate that at the age of 80, thanks to Living Paintings, I am still able to learn so much that enriches my life. Thank you for all your wonderful work and the pleasure you bring to so many people. I await the arrival of each new book and know it will give me many hours of sheer joy.'***



Estelle is nine-years-old and has been blind since birth. She attends a mainstream school and has a support worker. Thanks to Living Paintings, Estelle is now an accomplished Braille reader and loves going on a myriad of adventures through our Touch to See books. Her mum is delighted with how much pleasure Estelle gets from Living Paintings: ***'She reads the Touch to See books as soon as she gets home from school, it is her way of relaxing. I wish my other two daughters [sighted] were as interested in reading as Estelle! She loves receiving her Living Paintings books and I have to restrict her use otherwise she would read them all in one go.'***

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017**

**14% increase in library membership to 14,500 – and growing
with 6,800 children and 7,700 adults**

Here's what some of our library members had to say:

'He took his Living Paintings book into school for 'Show and Tell', which made him the centre of attention in class and helped build his confidence, which is so important.' Mum

'Walk in the Woods, this really does what it says! It's as if you are there. A great way of uniting both sighted and partially sighted residents as they are taken on a virtual walk together.' Book Club Leader

'Thank you for sending me this Living Paintings book which is lovely. I have been blind since birth so what most animals and birds are like had always been a mystery to me.' Adult Library member

'I have been delighted by the Living Paintings books and the concepts they explain. My pupil needs encouragement to communicate and they are invaluable in introducing new topics and concepts that we can explore together.' Teacher

Published 18 Touch to See books and launched 2 online Discovery Hubs

For children and young people:

- 3 Touch to See adaptations of popular children's titles, including Julia Donaldson's bestselling *Stick Man* and *Zog*
- 1 Young Explorer Forest School title encouraging visually impaired children to get active outdoors
- 3 titles in our new SCIENCE ALIVE! series, following requests from teachers and parents. These books are designed to inspire curiosity and grow confidence in STEM subjects. To date, we have published: *The Body Owner's Guidebook* - an illustrated guide to the human body; *The Wonder of Life* - exploring the cellular building blocks of plant and animal life; and *The World Below* - exploring the world beneath our feet
- 2 Discovery Hubs: SCIENCE ALIVE! and GO WILD!



For adults:

- 4 Short Stories – magazine-style series offering a relaxed reading experience
- 7 Book Club titles

330 Touch to See Book Clubs

Our Touch to See Book Clubs programme is rapidly expanding across the country. We are delighted to have 330 Clubs now regularly meeting, encouraging 5,000 blind and partially sighted adults to share our books together. This has proved to be a highly effective approach to alleviating loneliness for visually impaired people. ***'When I lost my sight I thought I would not be able to do anything. I got very depressed. But since coming to the Book Club I have felt so much better. I talk about things I wouldn't normally talk about and get hints and tips on living with sight loss. This has helped me to live with my own sight loss.'*** Book Club member



THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

THE FUTURE

Our Aims

- ▶ To increase the number of blind and partially sighted children, young people and adults who benefit from our work.
- ▶ To increase the positive impact of our work for blind and partially sighted people.

Our Objectives

- ▶ Optimisation of our Touch to See content and service.
- ▶ Building of our community with co-creation, collaboration and partnership.

Our Work Plan

We know that in our beneficiary group we only have a minority of the blind and partially sighted children, young people and adults who could benefit from the proven value our service brings. Our continuing challenge is to reach them in order to support their early years development, education, life-long learning and to become an integral part of their lifestyle.

Therefore our work plan this year once again encompasses reaching new members, enhancing our services for existing members and developing our user experience and engagement. To this end we will be pursuing four key areas.

1. **Publishing** - Developing the range, breadth, scope and diversity of our Touch to See Books.
2. **Digital Vision** – Delivering our digital strategy in support of our Objectives.
3. **Library Service** - Developing delivery in support of growing numbers of beneficiaries whilst optimising the opportunities offered by emerging technologies.
4. **Community** – Expanding Touch to See Book Clubs and developing engagement with our beneficiary group alongside their families, teachers and carers.

These four areas are intrinsically linked and will complement one another.

1. Publishing: Developing the range of Touch to See Books

Our library is filled with an ever growing collection of Touch to See books that are rich in story, creatively communicate subjects across the national curriculum and offer inspirational journeys of learning and discovery for all ages. To meet the existing interests of our members and inspire new ones we continually work hard to design and create publications in response to their requests. Our young library members, their teachers and parents expect a flow of new books for them to enjoy - we have helped to give them the flying start they need and assisted them to learn Braille and developed their love of reading. However, there is still more to do.

In 2017/18 we will again strengthen areas in the library catalogue where there is scope for growth and broaden the diversity of subjects available, in order to widen the community that our resources benefit. New titles we are working on include a fascinating and fantastic, teacher informed series all about science for key stages 1, 2 and 3. We will also be moving ahead with our 'Literature Alive!' series. This is designed to encourage our children to continue reading for pleasure at a stage in their lives, typically as they move to secondary school, when they tend to forsake this important activity. We plan to produce further titles for our Touch to See Book Clubs designed in response to their feedback for new and stimulating subjects to explore in a welcoming shared environment.

2. Digital Vision: Delivering our Digital Strategy

Our vision is that Living Paintings Online will provide a creative, inspirational, interactive, live and accessible library service for blind and partially sighted people, of every age and interest. It will enable our members to have memorable experiences using our Touch to See books in a digital atmosphere of exploration and enjoyment. Our aim is that our website be a relevant part of blind and partially sighted people's everyday lives - their number 1 destination website for lifestyle, leisure, education, life-long learning and culture. To this end we are working on a development of our website which will include improving the user journey, refreshing the design and adding new content especially for the community of parents, carers, teachers and friends who are daily supporting our library members. This will include adding to our Discovery Hub area in which can be found exciting, dynamic content that extends the experience and benefit of using our Touch to See books. Beyond this we will build on our excellent achievements in promoting our work and engaging with our community using a variety of social media platforms.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

THE FUTURE CONTINUED

3. Library Service: Developing delivery

Reach 900 new members. We will continue to invest in the promotion of our free service through social media, profile raising activities and outreach with the target of registering 900 new library members in the next 12 months, increasing our beneficiary group by 6% to 15,400.

The long-term vision is that all of the content of our Touch to See books, apart from the raised images which we will continue to deliver free via the post for the time being, will be available online for those of our Library Members who can access it via that route. For those who can't, or choose not to, we will continue to deliver our Touch to See content in 'hard copy' form. This way we ensure we meet the needs of all our Library Members. We will continue to work towards achieving this vision whilst maintaining our first priority of providing a continuing, tailor made service to all our fast growing number of blind and partially sighted beneficiaries.

4. Community: Expanding Touch to See Book Clubs

Increase the number of Touch to See Book Clubs to 350 reaching 5,250 blind adults. The clubs are vital in bringing blind and partially sighted people together with sighted friends to be inspired by our Touch to See experience. In the coming year we will be focussing on consolidating the rapid growth achieved to date and building the infrastructure needed to pursue further accelerated growth in 2018/2019.

Touch to See Book Clubs are designed to encourage our community of often older, isolated and excluded blind and partially sighted people to go out of their homes, meet with others and participate in interests they had once enjoyed or, indeed, that are new to them. They will be sharing this experience with sighted companions (they don't want to be excluded further by engaging in an activity solely for those who cannot see) and, of course, with others who have suffered similar severe sight loss, which will make it easier for them to sustain existing friendships and find new ones. The key is to work in collaboration with local community groups to create the opportunity and environment to achieve this, bringing blind and partially sighted people together on a regular basis to enjoy interesting, stimulating and fun subjects/topics.

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

We are delighted to continue to benefit from the patronage of **Christopher Lloyd CVO, Dame Jacqueline Wilson, Sir Timothy and Lady Sainsbury**. Christopher was Surveyor of The Queen's Pictures 1988 – 2005 and is a former Curator at Christ Church Oxford and the Ashmolean Museum Oxford. Dame Jacqueline Wilson was the Children's Laureate 2005-07. She works full-time as a writer and is a best selling, popular children's author. She has sold over ten million books. Sir Timothy is a former MP and Minister of State. He is a former Trustee of the V & A Museum. Sir Timothy and Lady Sainsbury have been keen supporters of Living Paintings for 20 years.

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.

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. 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 Chief Executive and talk with two existing Trustees prior to a formal proposal for appointment being made.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

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.

The Trustees have overall responsibility for the work of the charity. They agree policies, strategies 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.

Our Trustees At 31st May 2017

Cat Bailey	Creative Partner, PinkGreen. Previously SAS and Corporate Edge.
Corianda Brown	Beneficiary of Living Paintings. Continuity Announcer for Channel 4 television. Previously held a variety of roles in continuity announcing and radio journalism.
Dani Curtis	Beneficiary of Living Paintings. Formerly with RNIB, Projects by the Blind and Fundraising Manager with Guide Dogs.
Vicki Harris	Qualified Chartered Accountant. Previously Group Strategy and Marketing Director, Aldermore and held senior roles in Octopus Investments, GE Capital and McKinsey and Company.
Catriona Macritchie	Qualified Solicitor. General Counsel IP, HR and Data Privacy, Diageo PLC. Formerly various including McGrigor Donald (now part of Pinsent Masons) and William Grant & Sons Limited
Jennifer Scott	Sakler Director of The Dulwich Picture Gallery. Previously Director of the Holburne Museum and formerly with The Royal Collection, National Museums Liverpool and the National Gallery London.
Robert Talson	Director of Digital Marketing, Cushman and Wakefield. Previously Bupa, Ernst and Young Global and Hays plc
Neil Walke (Treasurer)	ACA. Project Manager at Vodafone Group. Formerly with Deloitte.
Alex Wilson (Chairman)	Formerly Group Human Resources Director BT Group. Previously with Ford, Grand Metropolitan, Guinness, Diageo and ICI.

Administration

The administrative and secretarial duties of the charity are undertaken in our office which is also the company's registered office. Details of the professional advisors are set out on page 2.

Volunteers

Our wonderful team of volunteers has continued to make an essential, committed contribution to Living Paintings. They number 300 meaning that our staff to volunteer ratio stands at 1:33. Unfortunately, due to the complexity of financially accounting for their invaluable contribution we do not reflect this in the balance sheet. However, this year we calculate their donations of time and expertise to be worth approx £200,000 which clearly shows that they are one of our most valuable assets. Our volunteers help with every stage of the production process with researching, writing, recording, editing sound recordings, manufacturing packs, painting feely pictures etc. They undertake the day to day library services, help with fundraising, record keeping and the promotion of Living Paintings.

Such a team merits a high level of professional support, and every Living Paintings activity includes a substantial volunteer component whether at Kingsclere, or working from home. So we go to great lengths to recruit, train and support our volunteers, communicate news to them, and give them the warm welcome they deserve and the gratitude they earn.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

Our Ambassadors and Children's Author in Residence

We plan to appoint a new **Children's Author in Residence**. Our particular focus for this role is to bring life to our picture book Discovery Hub, Wigwam and give library members a chance to engage with authors and illustrators to discover more about the world of picture books. We are grateful to receive support from many popular authors and illustrators..

We also benefit from the support of three **Living Paintings Ambassadors** who have been appointed with the joint purpose of giving them a voice as beneficiaries of our charity and providing positive role models for other people who are experiencing sight loss.

Kali Gilbert is mother of six year old Tayen who loves our Touch to See books. Kali is a great supporter of our work and an excellent spokesperson because she believes passionately in the value of what we do – helping blind children, like Tayen, read and develop a love of picture books. Tayen lost her sight at 18 months and Kali is a ready communicator about the trials, tribulations and joys of being this special little girl's mother.

Lucy Edwards is a go getting young person who has a highly successful YouTube channel, Yesterday's Wishes, and her tutorials on helping blind people put on make-up have made her an internet sensation leading to a number of TV appearances.

Emily Davison –Emily, is an aspiring writer who has already been published in the Huffington Post and Guardian – she works closely with us as our Fashion Ambassador and road-tests our new publications for young people. Emily writes brilliant blogs for our website and helps blind and partially sighted teens build the confidence to enjoy fashion. Emily is advocating for improved accessibility in children's literature, pursuing her keen interest in space, and studying for her MA in children's literature at Goldsmiths

Risk Management

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 principal risk remains that of maintaining current levels of income. Steps that have been taken to mitigate this risk include the establishment and maintenance of a comprehensive database providing weekly, monthly and annual reporting and which drives our fundraising efforts alongside the creation of a fundraising strategy which includes the development of new income streams. Trustees are satisfied that adequate systems are in place to mitigate any exposure to our major risks, in particular financial and operational risk.



Emma Chichester Clarke

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 17 to the accounts.

The pay of the Senior Management Team is reviewed annually and is normally increased in accordance with average earnings. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

FINANCIAL REVIEW

The financial results for the year are shown on pages 18 - 19. We achieved an income of £363,376 while expenditure was £352,990 giving a surplus of £10,386 for the year.

Income: This year we raised £363,376. We receive no statutory funding and are entirely dependent on voluntary donations. We are reliant on donations from grant making trusts to fund the majority of our work and we are grateful to all those trusts who supported us again or for the first time during the year. They are listed on page 13.

There are two main components which make up income in the year:

1. Donations and gifts of £131,219 for the Unrestricted fund (as defined on page 18). These donations support our core work of operating a free library service to blind and partially sighted people in Britain and Ireland.
2. Donations and gifts of £232,157 for the Restricted Fund (as defined on page 18). This income relates to the production of specific new Touch to See books and specific areas of our bespoke library service to members.

The Trustees have set the budget for 2017/18 at 10% higher than last year to take into account their decision to invest in the future growth of the organisation. Only a small amount of our income is promised in advance therefore the support of our donors is absolutely crucial to our ability to continue and grow to provide our much needed service to our members.

Expenditure: This year we spent £352,990 as decrease on the previous year of 16%. This has been achieved despite increasing our beneficiary group by 14%, providing our service to 70 more Touch to See Book Clubs and expanding our library of Touch to See books for all age groups.

Our Fund Balances at 31st May 2017

1. The Unrestricted Fund comprises:
 - £133,947 as a General Reserve.
 - £61,161 which is the net book value of the property and equipment for use by the charity, after deduction of the amount outstanding on the loan from Charity Bank Ltd. (See Page 26)
2. The Restricted Fund comprises:
 - £84,962 funded projects that are not yet completed. This mainly relates to the production of new Touch to See books, where the production period is usually between 9 and 18 months.
 - £63,976 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.

Our Reserves Policy

The Trustees have set a Reserves policy which states that a reserve of available or received funds be held that is equivalent to 6 months non-discretionary expenditure. The management team proactively work to maintain reserves above the policy threshold through routinely monitoring the funding position combined with the on-going forecasting of anticipated income. Should reserves fall below the threshold, there are clear procedures in place to assess the situation and determine whether mitigating actions are required to recover the position.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

Our Donors: 1st June 2016 – 31st May 2017

Living Paintings is entirely dependent on voluntary donations, listed below are some of the organisations who made grants:

The Headley Trust	The Lady Forester Trust
BBC Children in Need	A W Gale Trust
The Blagrove Trust	Austin & Hope Pilkington Trust
The Underwood Trust	Berkshire Community Foundation
AWE	Bernard Piggott Charitable Trust
The Brian Mercer Charitable Trust	Eddie Dinshaw Foundation
St James's Place Foundation	The Munro Charitable Trust
Peter Harrison Foundation	The Paul Bassham Charitable Trust
The Funding Network	P F Charitable Trust
Swire Charitable Trust	The Bothwell Charitable Trust
The David Brooke Charity	The Colefax Charitable Trust
The Harebell Centenary Fund	The De La Rue Charitable Trust
The Eveson Charitable Trust	Eleanor Rathbone Charitable Trust
The Childwick Trust	The Hobson Charity Ltd
Help for Health	The Rainford Trust
The Kirby Laing Foundation	The Sir James Roll Charitable Trust
John Horniman's Children's Trust	The Tay Charitable Trust
The 29th May 1961 Charitable Trust	The Benham Charitable Settlement
The Batchworth Trust	Cruden Foundation Limited
The Leathersellers' Company Charitable Fund	The Charles Irving Charitable Trust
The D'Oyly Carte Charitable Trust	The Gibbons Family Trust
Miss Agnes H Hunter's Trust	The Sylvia and Colin Shepherd Charitable Trust
The Fence Club Trust Fund	Harford Charitable Trust
The Charles & Elsie Sykes Trust	Marsh Christian Trust
The Steel Charitable Trust	Baron Davenport's Charity
The Gerald Palmer Eling Trust Company	Douglas Arter Foundation
The Hugh Fraser Foundation	The Gilbert & Eileen Edgar Foundation
The Mackintosh Foundation	Mrs E Y Imrie's Charitable Trust
Sandra Charitable Trust	The Charles Littlewood Hill Trust
Johnnie Johnson Trust	The Jessie Spencer Trust
Samuel William Farmer Trust	The Lynn Foundation
The Boshier-Hinton Foundation	The Norman Family Charitable Trust
The Shanly Foundation	The Ormonde Charitable Trust
The Sobell Foundation	The Ormsby Charitable Trust
The Wixamtree Trust	The Really Useful Group Limited
Ulverscroft Foundation	The W E Dunn Trust
Chapman Charitable Trust	William Adlington Cadbury Charitable Trust
Lifeline 4 Kids	The Devon Educational Trust
The Alice Ellen Cooper-Dean Charitable Foundation	Proven Family Trust
The Englefield Charitable Trust	The Florence Turner Trust
The Ernest Kleinwort Charitable Trust	The John Kenrick Charitable Trust
The Foresters Charity Stewards UK Trust	Anthony and Deirdre Montagu Charitable Trust
The Walter Guinness Charitable Trust	J A Floyd Charitable Trust
Gale Family Charity Trust	The James Wise Charitable Trust
George A Moore Foundation	The JTH Charitable Trust
The Bearder Charity	The Langtree Trust
The Bellinger Donnay Charitable Trust	The MacFarlane Walker Trust
The Dorothy Hay-Bolton Charitable Trust	E Dennis Armstrong Trust
The Joseph and Annie Cattle Trust	R S Brownless Charitable Trust
The Norton Foundation	The Sir Arthur Black Charities
The Walker Trust	The Thousandth Man Charitable Trust
	The Male Family Charitable Trust

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017**

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.



Camilla Oldland
Chief Executive

Grace is 18-years-old and joined the library in 2001, when she was only 2. Grace was born completely blind in both eyes and has no light perception, due to a condition called septic optic dysplasia. She lives in Suffolk with her younger brother and her parents.

Her mother explains: *'I was very distressed when I discovered there were so few Braille books available for Grace. I contacted the RNIB about getting a Braille, but they told me that she was too young to want to learn Braille and there were only two Braille books for me to buy for her. They also said that visually impaired children do not develop imaginations like sighted children, so book reading and writing stories would not be something she would get involved in.'*



Having a great love of books myself, I wanted to challenge this view. I contacted Grace's QTVI (Qualified Teacher of Children and Young People with Vision Impairment) and this is when I first heard about Living Paintings. It is through joining Living Paintings and reading Grace stories that she has accessed a sighted world. The books enable Grace to participate in a world of imagination that she would have been locked out of otherwise. I believe that Living Paintings' support, through the Touch to See books and allowing Grace to edit scripts for books (which has made her feel she is helping others in the visually impaired community) has sparked the imagination of a young lady who now studies English Literature at A Level, can write poems that are so descriptive they whisk you away to places in your dreams and writes stories and limericks that have her brother in stitches. To be honest, we can never thank Living Paintings enough.'

Grace's brother, Archie, is 6-years-old and isn't particularly interested in reading. However, he does like to read the Living Paintings books with Grace and listen to the audio descriptions with her. Mum says: *"This is incredibly important for them both, but even more so for Grace, as it makes her feel she can do an activity with Archie that all siblings do together. It makes her feel that she is sharing something visual with him, especially now he is very excited by colour and pictures."*

'Grace is a prolific Braille reader and can never get enough Braille books. The books she has borrowed from the Living Paintings library have most definitely helped her to learn Braille, and also to enjoy Braille, which many youngsters don't because it is so hard and different to what their friends are learning.'

'Grace's favourite title when she was younger was Mrs Armitage Queen of the Road. She also really enjoyed the Olympics book as it helped her to understand the different sports, which are incredibly hard to describe.'

'I would like to say that Living Paintings has made an incredible difference to Grace. I don't think anyone who is sighted can fully understand how very important it is to feel in some way included in a sighted world when you are blind, and that's what you do. Living Paintings books allow parents to share with their visually impaired kids and this is an incredibly important experience as it makes their reading time "normal". Anything that can inspire a child's imagination like these books do has my backing and if ever I can help, I will.'

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 MAY 2017

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Living Paintings Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

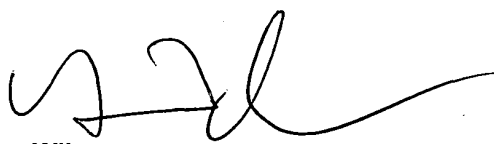
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the Trustees on *24th January 2018* and signed on their behalf by:


Alex Wilson
Chairman


Camilla Oldland
Chief Executive

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT 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 2017 set out on pages 16 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LIVING PAINTINGS TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Michael Farwell MA FCA DChA (Senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Date:

29/1/2018

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MAY 2017**

		Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations	3	232,157	127,480	359,637	433,856
Other trading activities		-	3,712	3,712	335
Investments		-	27	27	104
TOTAL INCOME		<u>232,157</u>	<u>131,219</u>	<u>363,376</u>	<u>434,295</u>
EXPENDITURE ON:					
Raising funds	5	-	28,896	28,896	39,473
Charitable activities	4	<u>236,717</u>	<u>87,377</u>	<u>324,094</u>	<u>368,663</u>
TOTAL EXPENDITURE	5	<u>236,717</u>	<u>116,273</u>	<u>352,990</u>	<u>408,136</u>
NET INCOME AND MOVEMENT IN FUNDS		<u>(4,560)</u>	<u>14,946</u>	<u>10,386</u>	<u>26,159</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>153,498</u>	<u>180,162</u>	<u>333,660</u>	<u>307,501</u>
TOTAL FUNDS CARRIED FORWARD		<u>148,938</u>	<u>195,108</u>	<u>344,046</u>	<u>333,660</u>

All activities relate to continuing operations.

The notes on pages 21 to 28 form part of these financial statements.

ANALYSIS OF FUNDS CARRIED FORWARD AT 31 MAY 2017

Unrestricted fund	
General reserve	133,947
Property & fixed assets for use by charity	<u>61,161</u>
	<u>195,108</u>
Restricted fund	
Funded projects awaiting completion	84,962
Library fund	<u>63,976</u>
	<u>148,938</u>
TOTAL FUNDS CARRIED FORWARD	<u>344,046</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 3095963

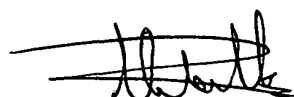
BALANCE SHEET
AS AT 31 MAY 2017

		2017	2016
		£	£
FIXED ASSETS			
Tangible assets	9	248,467	256,476
CURRENT ASSETS			
Debtors	10	4,257	46,237
Cash at bank and in hand		<u>217,023</u>	<u>164,860</u>
		221,280	211,097
CREDITORS: amounts falling due within one year	11	<u>(20,399)</u>	<u>(22,791)</u>
NET CURRENT ASSETS		<u>200,881</u>	<u>188,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		449,348	444,782
CREDITORS: amounts falling due after more than one year	12	<u>(105,302)</u>	<u>(111,122)</u>
NET ASSETS		<u>344,046</u>	<u>333,660</u>
CHARITY FUNDS			
Restricted funds	13	148,938	153,498
Unrestricted funds	13	<u>195,108</u>	<u>180,162</u>
TOTAL FUNDS		<u>344,046</u>	<u>333,660</u>

The financial statements were approved by the Trustees on 24th January 2018 and signed on their behalf, by:



Alex Wilson - Chairman



Neil Walke ACA - Treasurer

The notes on pages 21 to 28 form part of these financial statements.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided / (used in) by operating activities	15	<u>57,495</u>	<u>(70,850)</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment		<u>(5,332)</u>	<u>(2,598)</u>
Net cash used in investing activities		<u>(5,332)</u>	<u>(2,598)</u>
Change in cash and cash equivalents in the year		52,163	(73,448)
Cash and cash equivalents brought forward		<u>164,860</u>	<u>238,308</u>
Cash and cash equivalents carried forward		<u>217,023</u>	<u>164,860</u>

217,023

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Living Paintings Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The Living Paintings Trust is a registered charity and 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 2017 there were 9 members (2016: 8).

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017

to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Library materials are only of benefit to blind and partially sighted people and therefore are of very low commercial value. As such they are expensed in the year rather than being treated as a capital asset for ongoing use in the charity.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised by the Trust.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	50 years - straight line basis
Office equipment	-	5 - 10 years - straight line basis
Computer equipment	-	3 years - straight line basis

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 9) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

3. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	232,157	127,390	359,547	433,856
Legacies	-	90	90	-
	<u>232,157</u>	<u>127,480</u>	<u>359,637</u>	<u>433,856</u>
Total donations and legacies	<u>232,157</u>	<u>127,480</u>	<u>359,637</u>	<u>433,856</u>

In 2016, of the total income from donations and legacies, £185,533 was to unrestricted funds and £248,323 was to restricted funds.

4. GOVERNANCE COSTS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Governance Auditors' remuneration	-	4,800	4,800	3,600
Governance Auditors' other fees	-	-	-	750
Consultancy fees	-	720	720	720
	<u>-</u>	<u>5,520</u>	<u>5,520</u>	<u>5,070</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Raising funds	25,000	3,896	28,896	39,473
Costs of generating funds	25,000	3,896	28,896	39,473
Direct charitable expenditure	206,578	111,996	318,574	363,593
Expenditure on governance	-	5,520	5,520	5,070
	<u>231,578</u>	<u>121,412</u>	<u>352,990</u>	<u>408,136</u>

6. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	13,341	13,798
Interest on loans	<u>4,923</u>	<u>5,404</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

7. AUDITORS' REMUNERATION

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	4,800	3,600
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	<u>-</u>	<u>750</u>

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	214,383	248,622
Social security costs	16,316	19,862
Pension Costs	<u>879</u>	<u>-</u>
	<u>231,578</u>	<u>268,484</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

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

	2017 No.	2016 No.
Production	2	4
Fundraising and publicity	2	2
Administration and management	2	2
Library	3	3
	<u>9</u>	<u>11</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £59,950 (2016: £59,950).

9. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 June 2016	340,510	46,451	43,047	430,008
Additions	<u>-</u>	<u>1,846</u>	<u>3,486</u>	<u>5,332</u>
At 31 May 2017	<u>340,510</u>	<u>48,297</u>	<u>46,533</u>	<u>435,340</u>
Depreciation				
At 1 June 2016	92,184	44,224	37,124	173,532
Charge for the year	<u>6,810</u>	<u>788</u>	<u>5,743</u>	<u>13,341</u>
At 31 May 2017	<u>98,994</u>	<u>45,012</u>	<u>42,867</u>	<u>186,873</u>
Net book value				
At 31 May 2017	<u>241,516</u>	<u>3,285</u>	<u>3,666</u>	<u>248,467</u>
At 31 May 2016	<u>248,326</u>	<u>2,227</u>	<u>5,923</u>	<u>256,476</u>

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

10. DEBTORS

	2017 £	2016 £
Prepayments	1,253	1,825
Other debtors	709	716
Accrued income	2,295	43,696
	<u>4,257</u>	<u>46,237</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

11. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,439	9,711
Other taxation and social security	4,122	2,396
Bank loans and overdrafts	5,820	6,393
Accruals and deferred income	6,018	4,291
	<u>20,399</u>	<u>22,791</u>

**12. CREDITORS:
Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans	<u>105,302</u>	<u>111,122</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	<u>71,640</u>	<u>85,595</u>

The Trust raised two loans in April 2006 in order to finance the acquisition of the leasehold premises identified as Unit 9, Kingsclere Park. One loan 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 identified leasehold premises. The loan from the grant making trust was fully written off during the year to 31st May 2016.

The aggregate amount of secured liabilities is £111,122 (2016: £116,820).

13. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted funds				
Property and fixed assets for use by the charity	67,971	-	(6,810)	61,161
General funds	112,191	131,219	(109,463)	133,947
	<u>180,162</u>	<u>131,219</u>	<u>(116,273)</u>	<u>195,108</u>
Restricted funds				
Funded projects awaiting completion	110,058	74,087	(99,183)	84,962
Library fund	43,440	158,070	(137,534)	63,976
	<u>153,498</u>	<u>232,157</u>	<u>(236,717)</u>	<u>148,938</u>
Total of funds	<u>333,660</u>	<u>363,376</u>	<u>(352,990)</u>	<u>344,046</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017**

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
General Funds	180,162	131,219	(116,273)	195,108
Restricted Funds	153,498	232,157	(236,717)	148,938
	<u>333,660</u>	<u>363,376</u>	<u>(352,990)</u>	<u>344,046</u>

The Library Fund comprises multiple donations made specifically towards the costs of providing the Library Service free of charge to blind and partially sighted beneficiaries.

Funded projects awaiting completion consist of numerous funds of varying sizes covering specific projects in line with the charity's objectives for instance the creation and manufacture of new Touch to See book titles and the salary costs of the Touch to See Book Club Programme Manager.

Management accounting procedures quarterly track the movement in each individual restricted fund. They provide the necessary information to ensure that the appropriate balance is held in each account in order to complete the projects and thus meet the restrictions imposed by the donors.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets		248,467	248,467	256,476
Current assets	148,938	72,342	221,280	211,097
Creditors due within one year	-	(20,399)	(20,399)	(22,791)
Creditors due in more than one year	-	(105,302)	(105,302)	(111,122)
	<u>148,938</u>	<u>195,108</u>	<u>344,046</u>	<u>333,660</u>

**15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the year (as per Statement of financial activities)	10,386	26,159
Adjustment for:		
Depreciation charges	13,341	13,798
(Increase)/decrease in debtors	41,980	(38,196)
Increase/(Decrease) in creditors	(8,212)	(72,611)
Net cash (used in)/provided by operating activities	<u>57,495</u>	<u>(70,850)</u>

THE LIVING PAINTINGS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2017

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	<u>217,023</u>	<u>164,860</u>
Total	<u><u>217,023</u></u>	<u><u>164,860</u></u>

17. RELATED PARTY TRANSACTIONS

During the year donations of £Nil were received from Trustees and their close family members (2016: £8,578).

18. CONTROLLING PARTY

The Charity is controlled by its Trustees as listed on page 2.