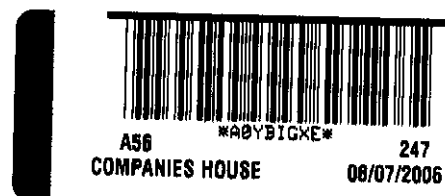


**The Barrow & Districts Society for the  
Blind Limited  
A Company Limited By Guarantee  
Financial Statements  
31 December 2005**

**Company Registration Number 3133015  
Charity Number 1051674**



**R F Miller & Co**  
Chartered Accountants & Registered Auditors  
Bellevue  
Princes Street  
Ulverston  
Cumbria  
LA12 7NB

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Financial Statements**

**Year Ended 31 December 2005**

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# **The Barrow & Districts Society for the Blind Limited A Company Limited by Guarantee**

## **Members of the Board and Professional Advisers**

### **The Council of Management**

Mrs M Bargh  
Mrs B M Crellin  
Mrs N J Geere  
Mr G M James  
Dr J C Maguire MB, CH.B  
Mr W D Noall DFM, FRICS  
Dr A C Parkinson  
Mr G Postlethwaite  
Mr J M Rennie  
Mrs D Rowley  
Mrs P J M Smith  
Mr A S Todd FCIB  
Mrs H Tyson MBE

### **Honorary President**

Mrs H Tyson, MBE

### **Chairman**

Mr W D Noall DFM, FRICS

### **Vice Chairman**

Mr G M James

### **Company Secretary**

Mr W Proctor

### **Registered Office**

67-69 Cavendish Street  
Barrow in Furness  
Cumbria  
LA14 1QD

### **Finance Director**

Mr A S Todd FCIB

### **Auditors**

R F Miller & Co  
Chartered Accountants  
& Registered Auditors  
Bellevue  
Princes Street  
Ulverston  
Cumbria  
LA12 7NB

### **Bankers**

HSBC plc  
Duke Street  
Barrow in Furness  
Cumbria  
LA14 1LR

### **Solicitors**

Forresters  
Duke Street  
Barrow in Furness  
Cumbria  
LA14 1XA

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Report of the Council of Management**

#### **Year Ended 31 December 2005**

The Council of Management, who are also directors for the purposes of the Companies Act, have pleasure in presenting their report and the Financial Statements of the Society for the year ended 31 December 2005.

The Barrow & Districts Society for the Blind Limited is a charitable company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The Society has Charity number 1051674 and Company number 3133015.

#### **Company objectives**

The object of the Society is the provision of high quality services and support to the Registered Blind and Partially Sighted in Barrow in Furness and the surrounding districts. To achieve this the Society has four well defined areas of operation, fundraising, the retail shop, residential care and social work support.

The Society has been tending to the needs of the Blind and Partially Sighted throughout Furness and South Lakeland since its inception in 1923.

Our residential home Ostley House, is registered to accommodate 38 and has facilities for day and respite care. The Society wishes to maintain high quality accommodation and keep the staff to residents' ratio at an above average level, thus ensuring the continuation of a first class service.

All five bungalows in Ostley Gardens, our sheltered accommodation, are occupied providing a safe environment for the tenants within the grounds of Ostley House.

In Barrow, Grange-over-Sands and Millom we operate Social Clubs and in Barrow and Ulverston the Society runs Craft Classes. Social outings are a popular feature of the Society's activities.

Our retail shop in Barrow is the hub of our activities. It is from here that we produce our fortnightly talking newspaper, producing 220 compact cassette recordings per issue in our studio. The shop is an important part of our fundraising and is the point of contact for the Society.

Our fundraising activities are legendary and besides flag days and envelope collections we promote shows ranging from Abba tribute groups to the Brighthouse & Rastrick Band.

An objective to be pursued is increasing income from envelope collections in our area. We are agents for the Talking Book Service and the Wireless for the Blind Fund, which provides, on free loan, a radio set for those who have lost their sight.

Finally, and most importantly, our Social Work Team are there to help and support any of the 650 Blind and Partially Sighted people who require help with daily living skills such as form filling, supply of aids and apparatus and teaching Braille for those who request it. This is an area of activity that will be expanded as and when surplus funds become available.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Report of the Council of Management** *(continued)*

#### **Year Ended 31 December 2005**

##### **Developments, Activities and Achievements During the Year**

This has been another good year for the Society when income levels have allowed us to cover expenditure, leaving a margin for one-off projects as well as routine repairs and renewals. At first sight a surplus of £356,006 looks fantastic but this must not lead to complacency as overall income includes two large receipts that should be regarded as non-recurring. We were fortunate enough to receive legacies and donations totalling £226,074 compared with £52,024 in 2004. These funds are very much appreciated and allow us to strengthen the Society's financial affairs whilst still providing extensive services for our clients. The other 'windfalls' were a net increase of £70,047 in our investment portfolio and £132,190 in the value of freehold land and buildings. The upward movement of stocks and share prices may not continue, therefore any future reduction in our portfolio value should not come as a surprise. The underlying objective is to create a fund that will bolster income in years when necessary expenditure creates a shortfall.

Everyone would do well to remember that if legacies and donations were at 2004 levels, and there were no gains on investments, we would have a net loss of almost £25,000. Sixty-five percent of ordinary income is spent on salaries and wages, therefore all areas of expenditure will be closely monitored.

Each year we update our Business Plan and this process gives us the opportunity to assess future expenditure and review progress against expectations. Early last year we summarised projects being considered and areas worthy of further action. Looking back, it is surprising how many expectations are now a reality. The new laundry is working well, plans have been finalised to add en suite facilities to bedrooms in the original building and computer systems are being upgraded. We are still working on proposals to establish a multi-purpose area at Ostley House that could be used as:

- An activity centre
- A centre for our various social and craft groups
- A resource facility

This is a long-term project that will be expensive, therefore extensive research is essential.

During 2006 Capital Expenditure will probably be limited to projects already identified but research and planning will be an important part of our work.

##### **Financial Activities and Affairs**

The Society generated a surplus of £356,006 during the year. The Society's assets are adequate and available to fulfil the obligations of the Society.

##### **Fixed assets**

An independent valuer Howard M Whitaker FRICS, carried out a valuation of freehold land and buildings in March 2006. The unrealised gain in the accounts is £132,190 (2004 – nil).

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Report of the Council of Management** *(continued)*

**Year Ended 31 December 2005**

#### **Investment Policy**

The existing Investment Policy is due for review early 2006 and a new five-year plan will be finalised after consultation with Benson McGarvey Ltd, our Financial Advisers, and Fund Managers Gerrard Ltd.

Five years ago the Council of Management agreed to place surplus funds under management as an alternative to using bank high interest accounts. This decision coincided with an upturn in the Stock Market, leading to an increase in value from £368,736 to £477,785, a 22.8% increase over five years.

A new Investment Policy will remain within Charity Commission boundaries as stipulated for the investment of funds on behalf of a charitable society.

#### **Reserves Policy**

As at 31<sup>st</sup> December 2005, the Society had free reserves of £322,760 invested under management plus £341,000 cash at the bank and in hand. The Trustees and Directors estimate cash deposits of at least £150,000 are required to sustain day-to-day operations. The reserves have now been apportioned to reflect various contingencies and amounts have been set aside as detailed in section 21 on page 23.

The Society's investment policy to generate growth rather than maximum income will be reviewed in January 2006.

#### **Grants Payable Policy**

Grants payable by the Society are paid on a non-selective basis to all clients registered with the Society as funds of the Society allow. In addition requests are considered on the basis of special needs.

#### **Risk Management**

The Council of Management has conducted its own review of the major risks to which the Society is exposed and systems have been established to mitigate those risks. The Society has a register with all identified risks which is regularly monitored and assessed to evaluate identified risks and identify new risks.

#### **Future Strategy**

The Society's Trustees and Directors have approved, in principle, the following Capital Expenditure projects:

1. Ostley House – provide en suite facilities for all bedrooms on the upper floors of the old building.
2. Ostley Gardens – change bathing facilities for residents.
3. Continue to improve and extend the Society's I.T. systems.

Surplus funds will continue to be used to improve standards of care and service available for all Registered Blind and Partially Sighted people throughout Furness and South Lakeland.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Report of the Council of Management** *(continued)*

**Year Ended 31 December 2005**

#### **Council of Management**

The Society's Board of Directors is known as the Council of Management. As set out in the Articles of Association, the Council shall have power at any time to appoint any person to be a member of the Council up to the maximum number fixed in the Articles. Any member of the Council so appointed shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the members of the Council who are to retire by rotation at such meeting.

#### **The Council of Management**

The Council of Management who served the Society during the period were as follows:

Mrs M Bargh  
Mrs B M Crellin  
Mrs N J Geere  
Mr G M James  
Dr J C Maguire MB, CH.B  
Mr W D Noall DFM, FRICS  
Mrs M Noall  
Dr A C Parkinson  
Mr G Postlethwaite  
Mr J A Quinn  
Mr J M Rennie  
Mrs D Rowley  
Mrs P J M Smith  
Mrs H Tyson MBE  
Mr A S Todd FCIB

Mrs M Noall passed away in January 2006.

Mr J A Quinn passed away in September 2005.

#### **Connected Charities and Branches**

There were no connected charities or branches during the year ended 31 December 2005.

#### **Responsibilities of the Council of Management**

Company law requires the Council of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Society at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those Financial Statements, the Council of Management are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The Council of Management must also prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Society will continue its activities.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Council of Management are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Report of the Council of Management** *(continued)*

**Year Ended 31 December 2005**

**Auditors**

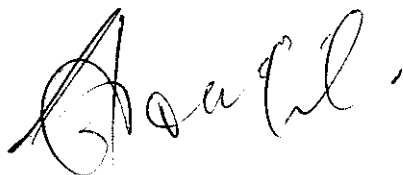
A resolution to re-appoint R F Miller & Co as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the Council of Management on 30 June 2006.

Signed on behalf of the Council of Management

A handwritten signature in black ink, appearing to read 'W D Noall', is positioned above the printed name of the Chairman.

Mr W D Noall DFM, FRICS  
Chairman

Mr W Proctor  
Company Secretary

Registered Office:  
67-69 Cavendish Street  
Barrow in Furness  
Cumbria  
LA14 1QD



**The Barrow & Districts Society for the Blind Limited  
A Company Limited by Guarantee**

**Independent Auditors' Report to the Members of The  
Barrow & Districts Society for the Blind Limited**

**Year Ended 31 December 2005**

We have audited the Financial Statements on pages 9 to 24 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 to 14.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 the Council of Management and the Auditors**

The Council of Management is (who also act as Directors for the charitable activities of the company) responsible for preparing the Report of the Council of Management 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 and 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 Report of the Council of Management is not 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 Council of Management members remuneration and transactions with the Charity are not disclosed.

We read the Report of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Independent Auditors' Report to the Members of The**  
**Barrow & Districts Society for the Blind Limited** *(continued)*

**Year Ended 31 December 2005**

**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 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 the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

**Opinion**

In our opinion the Financial Statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



R F Miller & Co  
Chartered Accountants and Registered Auditors  
Bellevue  
Princes Street  
Ulverston  
Cumbria  
LA12 7NB

30 June 2006

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Statement of Financial Activities**

**Year Ended 31 December 2005**

	Note	Total Funds 2005 £	Total Funds 2004 £
<b>Incoming Resources</b>			
Donations and legacies	2	226,074	52,024
<b>Activities in furtherance of the Charity's objects:</b>			
Grants receivable	3	11,044	12,876
Income from Ostley House	4	630,342	615,647
<b>Activities for generating funds:</b>			
Charity Shop income	5	62,403	64,797
Fund raising	8	17,121	15,002
Income from shows		21,931	27,016
<b>Investment income</b>	6	13,071	12,806
<b>Interest receivable</b>	7	11,230	6,209
<b>Total Incoming Resources</b>		<u>993,216</u>	<u>806,377</u>
<b>Resources Expended</b>			
Costs of generating funds:			
Costs of charity shop	5	74,797	84,264
Fund Raising	8	11,223	11,503
Cost of shows		18,166	20,724
		<u>104,186</u>	<u>116,491</u>
<b>Charitable expenditure:</b>			
Costs of activities in furtherance of the Charity's objects:			
Grants payable	11	14,850	15,465
Expenses of Ostley House	4	567,026	508,810
Support Costs	10	102,012	84,385
Management and administration	9	51,373	48,348
<b>Total Charitable Expenditure</b>		<u>735,261</u>	<u>657,008</u>
<b>Total Resources Expended</b>	12	<u>839,447</u>	<u>773,499</u>
<b>Net Incoming Resources for the Year</b>	13	<u>153,769</u>	<u>32,878</u>
<b>Other Recognised Gains and Losses:</b>			
Freehold Land & Buildings		132,190	—
Gains on investments		70,047	16,972
Net movement in funds relating to the year		<u>356,006</u>	<u>49,850</u>
Balances brought forward		2,236,296	2,186,446
Balances carried forward		<u>2,592,302</u>	<u>2,236,296</u>

All movements are in Unrestricted Funds  
All of the activities of the Charity are classed as continuing.

The notes on pages 12 to 24 form part of these Financial Statements.

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Income and Expenditure Account**

**Year Ended 31 December 2005**

	Note	2005 £	2004 £
<b>Income</b>			
Donations and legacies	2	226,074	52,024
Activities in furtherance of the Charity's objects		641,386	628,523
Activities for generating funds		101,455	106,815
Investment income	6	13,071	12,806
Interest receivable	7	11,230	6,209
		<u>993,216</u>	<u>806,377</u>
<b>Charitable expenditure</b>			
Costs of generating funds		104,186	116,491
Grants payable	11	14,850	15,465
Expenses of Ostley House	4	567,026	508,810
Support Costs	10	102,012	84,385
Management and administration	9	51,373	48,348
		<u>839,447</u>	<u>773,499</u>
<b>Operating surplus for the year</b>		<b>153,769</b>	<b>32,878</b>
Released gain on sale of investments		1,052	936
<b>Net Retained Surplus for the Financial Year</b>		<b><u>154,821</u></b>	<b><u>33,814</u></b>
<b>Statement of total recognised gains and losses</b>			
		2005 £	2004 £
Surplus for the year		154,821	33,814
Unrealised gain on investment		201,185	16,036
<b>Total gains and losses recognised</b>		<b><u>356,006</u></b>	<b><u>49,850</u></b>

All of the activities of the Charity are classed as continuing.

The notes on pages 12 to 24 form part of these Financial Statements.

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

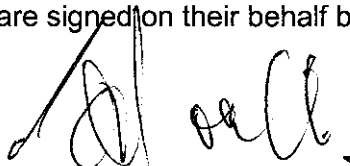
**Balance Sheet**

**31 December 2005**

	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible assets	14	1,769,542	1,596,984
Investments	15	477,785	399,753
		<u>2,247,327</u>	<u>1,996,737</u>
<b>Current Assets</b>			
Stocks	16	38,206	31,961
Debtors	17	18,316	36,716
Cash at bank and in hand		341,210	215,039
		<u>397,732</u>	<u>283,716</u>
<b>Creditors: Amounts Falling due Within One Year</b>	18	<u>(52,757)</u>	<u>(44,157)</u>
<b>Net Current Assets</b>		<b>344,975</b>	<b>239,559</b>
<b>Total Assets Less Current Liabilities</b>		<u><b>2,592,302</b></u>	<u><b>2,236,296</b></u>
<b>Net Assets</b>		<u><b>2,592,302</b></u>	<u><b>2,236,296</b></u>
<b>Unrestricted Funds</b>			
Designated	21	2,269,542	—
General Fund	21	322,760	2,236,296
<b>TOTAL FUNDS</b>		<u><b>2,592,302</b></u>	<u><b>2,236,296</b></u>

These Financial Statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These Financial Statements were approved by the members of the committee on the 30 June 2006 and are signed on their behalf by:



Mr W D Noall DFM, FRICS



Mr A S Todd FCIB,

The notes on pages 12 to 24 form part of these Financial Statements.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **1. Accounting Policies**

##### **Basis of Accounting**

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### **Cash Flow Statement**

The Council of Management have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the Financial Statements on the grounds that the Charity is small.

##### **Income**

Donations and legacies are accounted for when received by the Society. Other income is accounted for on an accruals basis as far as it is prudent to do so. Income includes income tax recoverable.

##### **Expenditure**

Expenditure is accounted for on an accruals basis and allocated to the various expense headings. Management and administration comprises costs for the running of the Society itself as an organisation. Where these costs cannot be directly attributed to any specific heading they are apportioned to the shop and the home using the percentages of 20% to the shop and 40% to the home. The apportionment is based on the time and effort spent in these two areas, the remaining balance being attributable to management and administration.

##### **Gifts in Kind**

The Society receives the benefit of work carried out by volunteers, and receives the use of facilities and equipment. No amounts are in the financial statements for services donated.

##### **Grants**

Revenue grants are credited to the income and expenditure account as received, unless related to a specific period, when it is placed in a restricted fund until used. Grants for capital expenditure are recognised in full in the SOFA when receivable in accordance with the SORP. The grant is placed in a reserve with a transfer made on an annual basis equal to that of the depreciation on the capital item acquired.

Grants payable are made on an annual basis and are allocated to the income and expenditure account in the period to which the expenditure relates.

##### **Taxation**

As a registered Charity the Company benefits from rates relief and is generally exempt from corporation tax and capital gains tax, but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

##### **Investments**

Investments are stated at market value. Market value is the market price on the balance sheet date. Realised and unrealised gains and losses are taken to the income and expenditure account. Income has been taken into account on the due date of payment.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **1. Accounting Policies** *(continued)*

##### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment 15-25% reducing balance

Where donations are received for specific equipment, the donation is included in income, the asset is capitalised and depreciation is charged on the full amount.

No depreciation is provided on freehold land & buildings as in the opinion of the Council of Management the property is maintained in such a manner that its estimated residual value exceeds cost. An impairment review in accordance with FRS11 is carried out to ensure that the net realisable value of the property is not lower than its carrying value.

##### **Stocks**

Stocks consist of provisions at Ostley House and gifts and crafts sold at the shop held for resale and are shown at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

##### **Fund Accounting**

Funds held by the charity are either:

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds* – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Further explanation of the nature of and purpose of each fund is included in the notes to the financial statements.

##### **Capital Commitments**

Commitments are disclosed where they are authorised by the year end date. The amount stated is to be financed through the use of general funds already held.

##### **Operating Lease Agreements**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against income on a straight line basis over the period of the lease.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **1. Accounting Policies** *(continued)*

##### **Pension Costs**

Retirement benefits to the employees of Barrow & Districts Society for the Blind Limited are provided by the Local Government Pension Scheme. This is a defined benefit scheme and is externally funded. Contributions to the scheme are charged to the income and expenditure account in accordance with contributions due. The contributions are determined by qualified actuaries. This scheme ceased for new employees as of 1 November 2002. A group defined contribution pension scheme is now available to both new employees and existing employees not in the defined benefit scheme.



# The Barrow & Districts Society for the Blind Limited

## A Company Limited by Guarantee

### Notes to the Financial Statements

Year Ended 31 December 2005

#### 2. Donations and Legacies

	<b>Total Funds 2005 £</b>	<b>Total Funds 2004 £</b>
<b>Donations</b>		
General	15,003	12,738
Ostley House	1,860	1,955
Newstape	5,000	315
Payroll Giving	238	1,285
	<u>22,101</u>	<u>16,293</u>
<b>Legacies</b>		
General	200,929	35,731
Ostley House	3,044	-
	<u>226,074</u>	<u>52,024</u>

#### 3. Grants Receivable

	<b>Total Funds 2005 £</b>	<b>Total Funds 2004 £</b>
Cumbria County Council	<u>11,044</u>	<u>12,876</u>

#### 4. Income From Ostley House

	<b>2005 £</b>	<b>2004 £</b>
Ostley House income	602,830	587,354
Bungalow rentals	27,512	28,293
<b>Total income</b>	<u>630,342</u>	<u>615,647</u>
<b>Operating costs</b>		
Wages & national insurance	351,013	328,863
Staff pension	13,876	13,492
Purchase of provisions	30,182	26,519
Occupancy costs	39,821	38,288
Repairs and decorating	46,094	28,943
Depreciation	15,525	13,072
Loss on sale of assets	847	2,899
Sundry expenses	12,004	7,307
Training allowance	4,285	1,079
Laundry equipment rental	2,006	-
	<u>515,653</u>	<u>460,462</u>
<b>Administrative expenses</b>	<u>51,373</u>	<u>48,348</u>
<b>Total expenditure</b>	<u>567,026</u>	<u>508,810</u>
<b>Surplus from Ostley House</b>	<u>63,316</u>	<u>106,837</u>

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Notes to the Financial Statements**

**Year Ended 31 December 2005**

**5. Administration and Retail Centre**

		<b>Total Funds 2005 £</b>	<b>Total Funds 2004 £</b>
<b>Sales</b>		<b><u>62,403</u></b>	<b><u>64,797</u></b>
<b>Cost of sales</b>			
Opening stock	<b>29,031</b>		30,741
Purchases & carriage	<b>37,339</b>		37,547
	<b><u>66,370</u></b>		<u>68,288</u>
Closing stock	<b>(35,560)</b>		(29,031)
		<b><u>30,810</u></b>	<u>39,257</u>
<b>Selling costs</b>			
Wages	<b>16,457</b>		18,104
Advertising	<b>83</b>		66
Bank charges	<b>255</b>		—
Sundries	<b>656</b>		1,325
Trailer depreciation	<b>285</b>		335
		<b><u>17,736</u></b>	<u>19,830</u>
<b>Administrative costs</b>			
Management expenses	<b>25,687</b>		24,174
Repairs and renewals	<b>404</b>		824
Cleaning	<b>160</b>		179
		<b><u>26,251</u></b>	<u>25,177</u>
<b>Total costs</b>		<b><u>74,797</u></b>	<b><u>84,264</u></b>
<b>Net loss</b>		<b><u>(12,394)</u></b>	<b><u>(19,467)</u></b>

**6. Investment Income**

	<b>Value 2005 £</b>	<b>Value 2004 £</b>	<b>Income 2005 £</b>	<b>Income 2004 £</b>
UK quoted investments	<b>465,207</b>	379,233	<b>12,295</b>	12,459
UK portfolio cash	<b>12,478</b>	20,420	<b>776</b>	347
Other UK investments	<b>100</b>	100	<b>-</b>	-
	<b><u>477,785</u></b>	<u>399,753</u>	<b><u>13,071</u></b>	<u>12,806</u>

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **7. Interest Receivable**

	<b>Total Funds 2005 £</b>	<b>Total Funds 2004 £</b>
Bank interest receivable	<b>10,659</b>	5,451
Loan interest	<b>571</b>	758
	<b><u>11,230</u></b>	<u>6,209</u>

#### **8. Fund Raising**

##### **Appeals**

Boxes	<b>3,089</b>	2,548
Races, shows, sales etc.	<b>6,208</b>	5,326
Appeals donations	<b>154</b>	120
Flag days, envelope collections	<b>7,670</b>	7,008
	<b><u>17,121</u></b>	<u>15,002</u>

##### **Costs**

Wages & national insurance	<b>9,928</b>	9,767
Travelling expenses	<b>1,089</b>	973
Materials	<b>—</b>	524
Printing, stationery, advertising & postage	<b>206</b>	239
	<b><u>11,223</u></b>	<u>11,503</u>

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **9. Management and Administration**

	<b>Total Funds 2005 £</b>	<b>Total Funds 2004 £</b>
Salaries and national insurance	<b>74,363</b>	70,248
Staff pension	<b>8,858</b>	7,310
Printing, stationery & postage	<b>2,199</b>	1,829
Computer maintenance	<b>2,339</b>	2,429
Water rates	<b>1,141</b>	671
Light, heat and power	<b>2,740</b>	2,360
Telephone	<b>1,595</b>	1,447
Insurance	<b>12,943</b>	12,325
Advertising	<b>—</b>	131
Travelling expenses	<b>857</b>	605
Audit & accountancy charges	<b>4,749</b>	5,296
Bank charges	<b>2,523</b>	2,180
Investment fees	<b>4,748</b>	5,472
Sundries	<b>1,226</b>	1,270
Copier leasing	<b>4,474</b>	3,087
Depreciation of equipment	<b>3,678</b>	2,812
Loss on sale of assets	<b>—</b>	1,398
	<b>128,433</b>	120,870
Allocated: shop	<b>25,687</b>	24,174
home	<b>51,373</b>	48,348
management	<b>51,373</b>	48,348

#### **10. Support Costs**

Necessitous blind wages & NI	<b>52,847</b>	48,339
Necessitous blind consumables	<b>15,516</b>	11,752
Wireless equipment - talking books	<b>19,506</b>	10,992
Embossed literature	<b>24</b>	—
Socials and outings	<b>13,739</b>	12,880
Newstape depreciation	<b>120</b>	161
Newstape expenses	<b>260</b>	261
	<b>102,012</b>	84,385

#### **11. Grants Payable**

Blind and partially sighted	<b>14,850</b>	15,465
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This figure represents many small grants, all of which are payable to individuals.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **12. Total Resources Expended**

	<b>Staff costs</b>	<b>Depreciation</b>	<b>Other costs</b>	<b>Total Funds 2005</b>	<b>Total Funds 2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ostley House	398,177	16,996	151,853	567,026	508,810
Fund Raising and publicity	9,928	—	1,295	11,223	11,503
Cost of shows	—	—	18,166	18,166	20,724
Charity shop	33,101	1,021	40,675	74,797	84,264
Management and administration	33,288	1,471	16,614	51,373	48,348
Necessitous Blind	52,847	120	63,895	116,862	99,850
	<u>527,342</u>	<u>19,608</u>	<u>292,497</u>	<u>839,447</u>	<u>773,499</u>

**The aggregate payroll costs were:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Wages and salaries	474,203	447,386
Social security costs	30,405	27,935
Other pension costs	22,734	20,802
	<u>527,342</u>	<u>496,123</u>

No employee received remuneration above £50,000.

No member of the Council of Management received any remuneration.

#### **Particulars of employees:**

The average number of staff employed by the Society during the financial year amounted to:

	<b>2005</b>	<b>2004</b>
	<b>No</b>	<b>No</b>
Ostley House staff	33	30
Shop staff	3	4
Administrative staff	3	3
Fund Raising staff	1	1
Social workers	4	4
Other	1	1
	<u>45</u>	<u>43</u>

The majority of staff employed by the Society work on a part time basis.

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **13. Operating Surplus**

Operating surplus is stated after charging:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Staff pension contributions	<b>22,734</b>	20,802
Depreciation	<b>19,820</b>	16,380
Loss on disposal of fixed assets	<b>847</b>	4,297
Auditors' fees	<b><u>1,000</u></b>	<b><u>1,000</u></b>

#### **14. Tangible Fixed Assets**

	<b>Land and buildings £</b>	<b>Plant, equipment &amp; motor vehicles £</b>	<b>Total £</b>
<b>Cost or Valuation</b>			
At 1 January 2005	1,547,000	193,491	1,740,491
Additions	31,810	30,013	61,823
Disposals	(1,000)	(2,278)	(3,278)
Revaluation	132,190	–	132,190
<b>At 31 December 2005</b>	<b><u>1,710,000</u></b>	<b><u>221,226</u></b>	<b><u>1,931,226</u></b>
<b>Depreciation</b>			
At 1 January 2005	–	143,507	143,507
Charge for the year	–	19,608	19,608
On disposals	–	(1,431)	(1,431)
<b>At 31 December 2005</b>	<b><u>–</u></b>	<b><u>161,684</u></b>	<b><u>161,684</u></b>
<b>Net Book Value</b>			
<b>At 31 December 2005</b>	<b><u>1,710,000</u></b>	<b><u>59,542</u></b>	<b><u>1,769,542</u></b>
At 31 December 2004	<u>1,547,000</u>	<u>49,984</u>	<u>1,596,984</u>

A valuation was carried out in March 2006 by an independent valuer Howard M Whitaker, FRICS, and was based on the present open market value of various properties. The unrealised gain in the accounts is £132,190 (2004 – nil).

Tangible fixed assets are held for use by the Society.

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Notes to the Financial Statements**

**Year Ended 31 December 2005**

**15. Investments**

**Movement in market value**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Market value at 1 January 2005	<b>399,753</b>	374,875
Acquisitions at cost	<b>26,730</b>	72,725
Disposals at market value	<b>(17,693)</b>	(63,883)
Net gains on revaluations in the year ended 31 December 2005	<b>68,995</b>	16,036
Market value at 31 December 2005	<b><u>477,785</u></b>	<u>399,753</u>
Historical cost at 31 December 2005	<b><u>369,757</u></b>	<u>362,694</u>

**Analysis of investments at 31 December 2005 between funds**

	<b>Total Funds 2005</b>	<b>Total Funds 2004</b>
	<b>£</b>	<b>£</b>
<b>Listed investments</b>		
UK quoted shares	<b>465,207</b>	379,233
Other UK investments	<b>100</b>	100
UK cash held as part of portfolio	<b>12,478</b>	20,420
	<b><u>477,785</u></b>	<u>399,753</u>

The above investments are all held in the UK.

Two investments represent more than 5% of the total, these are held in M&G Charifund and 2012 Treasury Stock. The holdings are 5.13% and 5.15% of the total respectively

**16. Stocks**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Goods for resale	<b>35,560</b>	29,031
Food stocks	<b>2,646</b>	2,930
	<b><u>38,206</u></b>	<u>31,961</u>

**The Barrow & Districts Society for the Blind Limited**  
**A Company Limited by Guarantee**

**Notes to the Financial Statements**

**Year Ended 31 December 2005**

**17. Debtors**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>751</b>	10,376
Staff loan	<b>10,623</b>	14,852
Taxation recoverable	<b>581</b>	340
Other debtors	<b>1,274</b>	890
Prepayments	<b>5,087</b>	10,258
	<b><u>18,316</u></b>	<b><u>36,716</u></b>

The staff loan is repaid in variable amounts and it is expected that approximately £4,000 will be settled within one year. This loan is to the Company Secretary to finance the purchase of vehicles for business use. The applicable rate of interest is 4.55%

**18. Creditors: Amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>6,419</b>	6,904
PAYE and social security	<b>10,581</b>	6,882
Other creditors	<b>5,083</b>	5,480
Accruals	<b>30,674</b>	24,891
	<b><u>52,757</u></b>	<b><u>44,157</u></b>

**19. Commitments under Operating Leases**

At 31 December 2005 the Society had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets other than land and buildings</b>	
	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Operating leases which expire:</b>		
Within 1 year	-	-
Within 2 to 5 years	<b>1,727</b>	1,727
Over 5 years	<b>7,168</b>	-
	<b><u>8,895</u></b>	<b><u>1,727</u></b>

**20. Analysis of Net Assets in Unrestricted Funds**

	<b>Tangible fixed assets</b>	<b>Investments</b>	<b>Other net assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	-	-	<b>322,760</b>	<b>322,760</b>
Designated funds	<b><u>1,769,542</u></b>	<b><u>477,785</u></b>	<b><u>22,215</u></b>	<b><u>2,269,542</u></b>



# The Barrow & Districts Society for the Blind Limited

## A Company Limited by Guarantee

### Notes to the Financial Statements

Year Ended 31 December 2005

#### 21. Movements in Funds

	At 1 January 2005 £	Incoming resources £	Outgoing resources £	Revaluation £	Transfers £	At 31 December 2005 £
<b>Designated funds</b>						
Fixed asset fund	-	-	(19,608)	132,190	1,656,960	1,769,542
Pension reserve	-	-	-	-	100,000	100,000
Property repairs reserve	-	-	-	-	100,000	100,000
Operational reserve	-	-	-	-	300,000	300,000
<b>Total designated funds</b>	<u>-</u>	<u>-</u>	<u>(19,608)</u>	<u>132,190</u>	<u>2,156,960</u>	<u>2,269,542</u>
<b>Unrestricted funds</b>						
General funds	<u>2,236,296</u>	<u>993,216</u>	<u>(819,839)</u>	<u>70,047</u>	<u>(2,156,960)</u>	<u>322,760</u>
<b>Total unrestricted funds</b>	<u>2,236,296</u>	<u>993,216</u>	<u>(839,447)</u>	<u>202,237</u>	<u>-</u>	<u>322,760</u>
<b>Total funds</b>	<u>2,236,296</u>	<u>993,216</u>	<u>(839,447)</u>	<u>202,237</u>	<u>-</u>	<u>2,592,302</u>

#### Purposes of designated funds

Fixed asset fund	The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets.
Pension reserve	The latest valuation of the Local Government Pension Scheme for the period 1 April 2004 to 31 March 2005 is still in progress and at this time no valuation is available. It is thought that the designated amount will be sufficient to cover any shortfall in the fund.
Property repairs reserve	The balance will fund future costs of repairs to the property.
Operational reserve	The operational reserve represents the amount set aside to cover any shortfall of income over expenditure in the year.

#### 22. Company Limited By Guarantee

The Company is registered under the Companies Act 1985 as a Company Limited By Guarantee and does not have a share capital. As at the 31 December 2005 there were 14 members. The liability of each member in the event of the company being wound up is restricted to £1.

#### 23. Capital Commitments

Amounts contracted for but not provided in the accounts amounted to £Nil (2004 - £Nil).

# **The Barrow & Districts Society for the Blind Limited**

## **A Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year Ended 31 December 2005**

#### **24. Pension Commitments**

Periodically, an actuary, using normal actuarial principles, conducts an actuarial review of the Local Government Pension Scheme. The aim of the review is to specify the level of future contributions. Contributions are assessed in two parts. Firstly, a normal contribution level is determined. This is the contribution, expressed as a percentage of the salary of a new staff member entering service, which would defray the cost of benefits payable in respect of that service. Currently all staff pay six percent, whilst their employers pay the balance of the normal contribution. Secondly, a supplementary contribution is payable by employers if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the account for benefits to past and present staff are not fully covered by normal contributions to be paid in and by the fund built up from past contributions. The current rate of the employer's contributions for Barrow and Districts Society for the Blind Limited is 16% of salary. This is to increase to 18.7% from 1 April 2006 and then to 21.3% from 1 April 2007. The charge for the period included in the SOFA is £19,597 and the outstanding contributions at the year end amount to £1,098.

The latest valuation of the Local Government Pension Scheme was for the period 1 April 2001 to 31 March 2004 and disclosed that the fund's assets stood at £788 million and covered 76% of the total liabilities in line with Government requirements. Funding levels have been adjusted to aim towards 100% funding.

A valuation for the period 1 April 2004 to 31 March 2005 is still in progress and at this time no valuation is available. It is thought that the designated amount will be sufficient to cover any shortfall in the fund.

The scheme was closed to new employees from 1 November 2002. A new group defined contribution scheme is now available to new employees. There are currently three members of staff within this scheme. The charge for the period included within the SOFA is £1,447 and outstanding contributions at the year end amount to £242.