

**The Barrow & Districts Society for the
Blind Limited
A Company Limited By Guarantee
Financial Statements
31 December 2010**



**Company Registration Number 3133015
Charity Number 1051674**

R F Miller & Co
Chartered Accountants & Statutory 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 2010

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The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

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 2010

Reference and Administrative Details

Charity number 1051674
Company number 3133015

Registered Office

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

Auditors

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

Bankers

HSBC plc
Duke Street
Barrow in Furness
Cumbria LA14 1LR

Cater Allen
Private Bank
9 Nelson Street
Bradford
BD1 5AN

Solicitors

Forresters
Duke Street
Barrow in Furness
Cumbria LA14 1XA

Livingston
9 Benson Street
Ulverston
Cumbria
LA12 7AU

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

Report of the Council of Management

Year Ended 31 December 2010

Directors and Trustees

Mr C M Anderson (appointed 26 November 2010)
Mr D Cannell (appointed 28 January 2011)
Mrs B M Crellin
Mr A S Hadley
Mr G M James
Mrs J Milburn
Mr N A McKinnon
Mr G Postlethwaite
Mrs D Rowley
Mr A C Silver
Mr A S Todd

Chairman

Mr N A McKinnon (appointed 24 January 2011)
Mr G M James (retired 24 January 2011)

Vice Chairman

Vacant

Company Secretary

Mr W Proctor

Finance Director

Mr A S Todd

The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

Structure, Governance and Management

Governing document

The Barrow & Districts Society for the Blind Limited is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. As at the 31 December 2010 there were 10 (2009: 12) members. The liability of each member in the event of the company being wound up is restricted to £1.

Recruitment and appointment of the 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.

Council of Management Induction and Training

All new members of the Council of Management are given an information pack, a role and description outlining what the Society expects from a member.

Organisation

The Council of Management administers the Society. The Council of Management meet monthly and there are three committees covering finance and general purpose, fundraising and social welfare.

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.

Related parties

There were no connected charities or branches during the year ended 31 December 2010.

Objectives and Activities for Public Benefit

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 Council of Management confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing and planning the charity's aims and objectives.

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

The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

Objectives and Activities (continued)

Our residential home Ostley House is registered to accommodate 44 and has facilities for day and respite care. We also have five supported accommodation bungalows within the grounds providing a safe environment for the tenants.

The Society wishes to maintain high quality accommodation and a first class service in a friendly environment.

In Barrow and Grange-over-Sands 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 also the administration centre giving us a valuable town centre presence. A studio here houses facilities enabling us to produce our fortnightly talking newspaper, distributing 130 CD's per issue. Fundraising activities including flag days, envelope collections and concert promotions at the Coronation Hall, Ulverston emphasise the fact that funds raised are all spent within 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.

Our Social Work Team help and support any of the 518 Blind and Partially Sighted people who require assistance with daily living skills and form filling. They also ensure clients receive all grants and services to which they are entitled. This is an area that will be expanded utilising the Activity Centre for meetings, training and the demonstration of a wide range of specialist equipment.

Achievements and Performance

Last year we identified the need to improve the level of surplus funds generated by the enlarged Ostley House Residential Home. Since the addition of eight new bedrooms that became fully operational in 2008 we have been disappointed with the level of profit as increased income was being offset by much higher overheads.

The Management Team led by Helen Winward have altered systems and taken positive action that has both increased income and cut overheads. The full impact of these changes was not seen until the latter half of 2010 but even so the surplus increased from £29,245 to £86,705. This has not been at the expense of residents who continue to enjoy an efficient and caring service.

Secretary Wilf Proctor has a part-time accounts clerk that gives more time for supervision and she also has additional hours used to contact clients at the telephone to say hello and see if they need the services of our Social Welfare team. Another area of service that has changed from a new initiative to a routine service is the link between our staff and Furness General Hospital. Newly registered visually impaired people visit our Activity Centre where they can talk to our staff and see and try a full range of specialised domestic aids displayed at the Resource Centre.

Social Clubs, Craft Classes and the Men's Club use the Activity Centre and at last we have advertised for a Centre Manager after obtaining valuable funding from the Sir John Fisher Foundation. The successful applicant should be in post by the end of June.

The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

Financial Review

Income

Legacy income at £26,415 was down by £220,000 compared with 2009 but we have always regarded the generosity of our benefactors as a bonus and do not depend on this support during our annual budgetary deliberations. Ostley House income has increased by £37K but this has been offset by a reduction in fundraising income. We have reduced the number of shows promoted at the Coronation Hall, Ulverston and would presume recessionary factors have had an adverse effect on fundraising as in line with other retail outlets our Cavendish Street shop has certainly suffered.

Excluding legacies our total income has increased by £20,790.

Expenditure

We are pleased to report a general reduction in all areas of expenditure with the exception of Christmas Grant payments that thankfully have increased for the first time for many years. Overall our costs have reduced by £30,220, excluding the exceptional pension cost actuarial adjustment of £52,000.

Summary

2010 has been a rewarding year in that the gap between income and expenditure at Ostley House has been widened as income increased by £36,677 and expenditure reduced by £20,783. This has been achieved even though remedial measures introduced by Helen and her new management team have only been fully effective for the last six months. This is a very important issue as we depend on the surplus generated by Ostley House to fund the work of our Social Welfare Team.

From an operational point of view 2010 has been another year of consolidation with no nasty surprises despite national recessionary conditions. We feel progress achieved will be reflected in the 2011 accounts when the true value of 2010 achievements should become more apparent.

The Balance Sheet

There has been very little change in the value of our fixed assets after depreciation. Investments show a £10,000 reduction after the sale of some shares that were retained in 2007 when our investment portfolio was encashed to finance the cost of new bedrooms and the activity centre at Ostley House. At that time they were valued at less than the purchase price.

Current Assets and Liabilities are similar to 2009 except that Net Current Assets have reduced from £92,412 to £78,136. This is more than offset by the £18K reduction in creditors falling due after more than one year (The Charity Bank Loan). In addition to normal monthly repayments we were able to repay a further £10,000 last year.

The only other large figure that merits comment is the £77,000 Pension fund reserve. There was an actuarial review as at 31st March 2010 and latest figures show a funding level of 92% with a shortfall of £114,000. Corrective measures are being discussed with Pension Scheme representatives.

The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

Investment Policy

Our Financial Adviser has been retained under a flexible arrangement whereby the Society will only pay for services utilised. However the Society's investment policy will always be based on a low risk strategy.

Reserves Policy

Our objective to maintain cash deposits at or above £150K remains unchanged but as forecast last year progress during 2010 has been slow. Cash flow has been much better during the first quarter of 2011 and we are optimistic that cash reserves will be in excess of target by the end of that year. In line with Charity Commission recommendations we maintain our reserves at approximately three months operating costs. Unrestricted reserves, excluding amounts referring to fixed assets and pension, are £109,465.

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.

Plans for Future Periods

One of our ongoing objectives is to increase our support in the community. This will come at a cost to the Society. Currently we spend approximately £94,000 on this service and expect there will be a further cost of £20,000, funds for which we will need to raise.

No substantial capital expenditure projects are contemplated. The Society will be progressing development of the Activity Centre at Ostley House. A detailed review of Society income and expenditure is in progress.

The Barrow & Districts Society for the Blind Limited

A Company Limited by Guarantee

Report of the Council of Management

Year Ended 31 December 2010

Responsibilities of the Council of Management

The Council of Management, who are also directors of The Barrow & Districts Society for the Blind Limited for the purposes of company law) are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- observe the methods and principles in the Charity SORP
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 2006. 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

Statement as to disclosure of information to auditors

So far as the company directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each directors has taken all the steps that they ought to have taken as a director in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information

Auditors

The auditors, R F Miller & Co will be proposed for re-appointment at the forthcoming Annual General Meeting

Small Company Provisions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

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

Report of the Council of Management

Year Ended 31 December 2010

Approved by the Council of Management on 20 May 2011

Signed on behalf of the Council of Management

Mr N A McKinnon
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 2010

We have audited the financial statements of The Barrow & Districts Society for the Blind Limited for the year ended 31 December 2010 on pages eleven to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 charitable company and the charitable company'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 auditors

As explained more fully in the Statement of the Council of Management Responsibilities set out on page 7, the Council of Management (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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

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 2010

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 December 2010 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 (applicable to smaller entities), and,
- have been prepared in accordance with the requirements of the Companies Act 2006

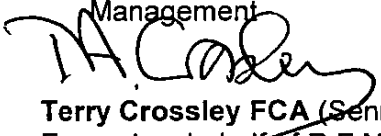
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council of Management for the financial year for which the financial statements are prepared is consistent with the financial statements

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 Council of Management remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Council of Management were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Council of Management



Terry Crossley FCA (Senior Statutory Auditor)
For and on behalf of R F Miller & Co
Chartered Accountants and Statutory Auditors
Bellevue
Princes Street
Overton
Cumbria
LA12 7NB

22 June 2011

The Barrow & Districts Society for the Blind Limited
(A company limited by guarantee)
Statement of Financial Activities

for the year ended 31 December 2010

| | Notes | 2010 Total Funds £ | 2009 Total Funds £ |
|--|-------|-----------------------------|-----------------------------|
| Incoming Resources | | | |
| Incoming resources from generated funds | | | |
| Voluntary income | | | |
| Donations and legacies | 2 | 26,415 | 248,731 |
| Training Allowance | | 1,450 | - |
| Activities for generating funds: | | | |
| Administration and retail centre income | 5 | 54,535 | 60,244 |
| Fundraising | 8 | 19,208 | 24,514 |
| Income from shows | | 4,350 | 10,752 |
| Investment income | 6 | 1,254 | 1,686 |
| Interest receivable | 7 | 531 | 76 |
| Incoming resources from charitable activities | | | |
| Income from Ostley House | 4 | 874,156 | 837,479 |
| Grants receivable | 3 | 12,136 | 12,079 |
| Total Incoming Resources | | 994,035 | 1,195,561 |
| Resources Expended | | | |
| Cost of generating funds: | | | |
| Costs of administration and retail centre | 5 | 72,427 | 75,476 |
| Fund raising | 8 | 12,264 | 12,254 |
| Cost of shows | | 3,898 | 6,973 |
| | | 88,589 | 94,703 |
| Costs of Charitable activities | | | |
| Grants payable | 12 | 13,365 | 12,540 |
| Expenses of Ostley House | 4 | 787,451 | 808,234 |
| Social Welfare | 11 | 94,803 | 98,452 |
| Pension costs actuarial adjustments | 27 | (52,000) | - |
| Total charitable activities expenditure | | 843,619 | 919,226 |
| Governance costs | 10 | 34,772 | 35,271 |
| Total Resources Expended | | 966,980 | 1,049,200 |
| Net Incoming Resources for the Year | | 27,055 | 146,361 |
| Other Recognised Gains and Losses: | | | |
| Realised gain on investments | | 1,125 | - |
| Unrealised loss on property | 15 | - | (693,405) |
| Unrealised gain on investment | 16 | 2,212 | 12 |
| Actuarial gain/(loss) in respect of pension scheme | 27 | 116,000 | (13,000) |
| Net movement in funds relating to the year | | 146,392 | (560,032) |
| Fund balances brought forward | | 1,665,548 | 2,225,580 |
| Fund balances carried forward | | 1,811,940 | 1,665,548 |

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

The notes on pages 14 to 27 form part of these financial statements

The Barrow & Districts Society for the Blind Limited
(A company limited by guarantee)
Income and Expenditure Account

for the year ended 31 December 2010

| | Notes | 2010 General Funds £ | 2009 General Funds £ |
|---|-------|-------------------------------|-------------------------------|
| Income | | | |
| Donations and legacies | | 26,415 | 248,731 |
| Training Allowance | | 1,450 | - |
| Activities in furtherance of the Charity's objects | | 886,292 | 849,558 |
| Activities for generating funds | | 78,093 | 95,510 |
| Investment income | | 1,254 | 1,686 |
| Interest receivable | | 531 | 76 |
| | | <u>994,035</u> | <u>1,195,561</u> |
| Charitable expenditure | | | |
| Costs of generating funds | | 88,589 | 94,703 |
| Grants payable | | 13,365 | 12,540 |
| Expenses of Ostley House | | 787,451 | 808,234 |
| Social Welfare | | 94,803 | 98,452 |
| Governance costs | | 34,772 | 35,271 |
| Pension costs actuarial adjustments | | (52,000) | - |
| | | <u>966,980</u> | <u>1,049,200</u> |
| Operating Profit for the year | 14 | 27,055 | 146,361 |
| Realised gain on sale of investments | | 1,125 | - |
| Net Retained Profit for the Financial Year | | <u>28,180</u> | <u>146,361</u> |
| Statement of total recognised gains and losses | | 2010 | 2009 |
| | | £ | £ |
| Profit for the year | | 28,180 | 146,361 |
| Unrealised loss on property | | - | (693,405) |
| Unrealised gain on investment | | 2,212 | 12 |
| Actuarial gain/(loss) | | 116,000 | (13,000) |
| Total gains and losses recognised | | <u>146,392</u> | <u>(560,032)</u> |

All of the activities of the Charity are classed as continuing

The notes on pages 14 to 27 form part of these financial statements

The Barrow & Districts Society for the Blind Limited
(A company limited by guarantee)
Balance Sheet

as at 31 December 2010

| | Notes | | 2010 | 2009 |
|--|-------|----------------|------------------|------------------|
| | | £ | £ | £ |
| Fixed Assets | | | | |
| Tangible assets | 15 | | 1,817,605 | 1,824,986 |
| Investments | 16 | | 23,137 | 33,135 |
| | | | <u>1,840,742</u> | <u>1,858,121</u> |
| Current Assets | | | | |
| Stocks | 17 | 26,368 | | 28,963 |
| Debtors | 18 | 7,384 | | 6,538 |
| Investments | 16 | 100,542 | | 100,000 |
| Cash at bank and in hand | | 43,074 | | 52,253 |
| | | <u>177,368</u> | | <u>187,754</u> |
| Creditors: amounts falling due within one year | 19 | 99,232 | | 95,342 |
| Net Current Assets | | | <u>78,136</u> | <u>92,412</u> |
| Total assets less current liabilities | | | <u>1,918,878</u> | <u>1,950,533</u> |
| Creditors. amounts falling due after more than one year | 20 | | (29,938) | (47,985) |
| Defined benefit pension liability | 26 | | (77,000) | (237,000) |
| Net Assets | | | <u>1,811,940</u> | <u>1,665,548</u> |
| Unrestricted Funds | | | | |
| Designated reserve | 23 | | 1,779,475 | 1,769,193 |
| General fund | 23 | | 109,465 | 133,355 |
| | | | <u>1,888,940</u> | <u>1,902,548</u> |
| Less Pension fund deficit | 23 | | (77,000) | (237,000) |
| | | | <u>1,811,940</u> | <u>1,665,548</u> |

These financial statements have been prepared in accordance with the provisions of the Companies Act 2006 applicable to small companies subject to the small companies regime

These financial statements were approved by the members of the committee on the 20 May 2011 and are signed on their behalf by

Mr N A McKinnon



Mr A S Todd



The notes on pages 14 to 27 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 2010

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 2005) and the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

Incoming Resources

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

Resources Expended

Expenditure is accounted for on an accruals basis and allocated to the various expense headings Support costs comprise 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 governance, costs of charitable activities and costs of generating funds The apportionment is based on the time and effort spent in these areas

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 2010

Depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition

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 Council of Management
- *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 2010

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 Accounts

for the year ended 31 December 2010

| | 2010 | 2009 |
|------------------------------------|----------------|--------------|
| | Total | Total |
| | Funds | Funds |
| 2 Donations and legacies | £ | £ |
| Donations | | |
| General | 14,538 | 12,517 |
| Ostley House | 1,314 | 1,087 |
| Newstape | 93 | 40 |
| Payroll Giving | 111 | 157 |
| | 16,056 | 13,801 |
| Legacies | | |
| General | 10,359 | 234,930 |
| Ostley House | - | - |
| | 26,415 | 248,731 |
| 3. Grants Receivable | 2010 | 2009 |
| | £ | £ |
| Cumbria County Council | 12,136 | 12,079 |
| | 2010 | 2009 |
| | £ | £ |
| 4. Income From Ostley House | | |
| Ostley House income | 843,732 | 807,307 |
| Bungalow rentals | 30,424 | 30,172 |
| Total income | 874,156 | 837,479 |
| Operating costs | | |
| Wages & national insurance | 510,674 | 516,197 |
| Staff pension | 10,959 | 19,051 |
| Purchase of provisions | 49,924 | 45,549 |
| Occupancy costs | 48,880 | 64,591 |
| Repairs and decorating | 31,485 | 23,041 |
| Depreciation | 20,831 | 23,440 |
| Legal and professional fees | 1,763 | - |
| Sundry expenses | 21,594 | 19,253 |
| Training allowance | 3,113 | 6,280 |
| Laundry equipment rental | 10,141 | 9,813 |
| Loan interest | 2,935 | 5,853 |
| | 712,299 | 733,068 |
| Support costs | 75,152 | 75,166 |
| Total expenditure | 787,451 | 808,234 |
| Surplus of Ostley House | 86,705 | 29,245 |

The Barrow & Districts Society for the Blind Limited
(A company limited by guarantee)
Notes to the Accounts

for the year ended 31 December 2010

| 5. Administration and Retail Centre | | 2010 | 2009 |
|--|--|-----------------|-----------------|
| | | £ | £ |
| Sales | | 54,535 | 60,244 |
| Cost of sales | | | |
| Opening stock | | 26,582 | 30,201 |
| Purchases & carriage | | 29,231 | 31,644 |
| | | 55,813 | 61,845 |
| Closing stock | | 24,395 | 26,582 |
| | | 31,418 | 35,263 |
| Gross Profit | | 23,117 | 24,981 |
| Selling costs | | | |
| Wages | | 10,944 | 10,952 |
| Advertising | | 81 | 303 |
| Sundries | | 1,862 | 1,542 |
| Bank charges | | 486 | 405 |
| Vehicle insurance | | 402 | 752 |
| | | 13,775 | 13,954 |
| Administrative costs | | | |
| Support costs | | 25,053 | 25,058 |
| Repairs & renewals | | 1,618 | 892 |
| Cleaning | | 563 | 309 |
| | | 27,234 | 26,259 |
| Total costs | | 72,427 | 75,476 |
| Net loss | | (17,892) | (15,232) |

| 6. Investment Income | Value | Value | Income | Income |
|-----------------------------|---------------|---------------|---------------|---------------|
| | 2010 | 2009 | 2010 | 2009 |
| | £ | £ | £ | £ |
| UK quoted investments | 23,037 | 33,035 | 1,254 | 1,686 |
| Other UK investments | 100 | 100 | - | - |
| | 23,137 | 33,135 | 1,254 | 1,686 |

The Barrow & Districts Society for the Blind Limited
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for the year ended 31 December 2010

| 7. Interest Receivable | 2010 | 2009 |
|---|---------------|---------------|
| | £ | £ |
| Bank interest receivable | 531 | 76 |
| | 531 | 76 |
| 8. Fund Raising | 2010 | 2009 |
| | £ | £ |
| Appeals | | |
| Boxes | 1,911 | 2,706 |
| Races, shows, sales etc | 11,239 | 9,441 |
| Appeals donations | 170 | 148 |
| Flag days, envelope collections | 4,605 | 6,068 |
| Loose change appeal | 917 | 454 |
| Weather Lottery | 366 | 387 |
| Jail and Bail | - | 5,310 |
| | 19,208 | 24,514 |
| Costs | | |
| Wages & national insurance | 10,878 | 10,438 |
| Travelling expenses | 1,010 | 1,273 |
| Materials | 410 | 500 |
| Printing, stationery, advertising & postage | (34) | 43 |
| | 12,264 | 12,254 |

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Notes to the Accounts

for the year ended 31 December 2010

| 9. Allocation of support costs | Total allocated | Governance | Charitable activities | Cost of generating funds | Basis of allocation |
|---------------------------------------|------------------------|-------------------|------------------------------|---------------------------------|----------------------------|
| | £ | £ | £ | £ | |
| Salaries and national insurance | 84,686 | 16,937 | 50,812 | 16,937 | Staff time |
| Staff pension | 10,596 | 2,119 | 6,358 | 2,119 | Staff time |
| Printing, stationery & postage | 1,740 | 348 | 1,044 | 348 | Usage |
| Computer maintenance | 4,966 | 993 | 2,980 | 993 | Usage |
| Advertising | 919 | 184 | 551 | 184 | Usage |
| Water rates | 1,219 | 244 | 731 | 244 | Usage |
| Light, heat and power | 4,984 | 997 | 2,990 | 997 | Usage |
| Repairs & renewals | 3,769 | 754 | 2,261 | 754 | Usage |
| Telephone | 1,394 | 279 | 836 | 279 | Usage |
| Insurance | 4,983 | 997 | 2,989 | 997 | Floor area |
| Travelling expenses | 1,653 | 331 | 991 | 331 | Usage |
| Legal & Professional | 478 | 96 | 286 | 96 | Usage |
| Sundries | 2,711 | 542 | 1,627 | 542 | Usage |
| Copier leasing | - | - | - | - | Usage |
| Depreciation of equipment | 1,160 | 232 | 696 | 232 | Usage |
| | 125,258 | 25,053 | 75,152 | 25,053 | |

10. Governance Costs

| | 2010 | 2009 |
|-----------------------------|---------------|-------------|
| | £ | £ |
| Support costs as above | 25,053 | 25,058 |
| Audit & accountancy charges | 6,337 | 5,299 |
| Legal & professional fees | 685 | 2,628 |
| Bank charges | 2,697 | 2,286 |
| | 34,772 | 35,271 |

11. Social Welfare

| | 2010 | 2009 |
|--------------------------------|---------------|-------------|
| | £ | £ |
| Necessitous Blind wages and NI | 64,634 | 66,465 |
| Necessitous Blind consumables | 7,659 | 5,489 |
| Wireless equipment | | |
| - Talking books | 15,614 | 15,463 |
| Embossed literature | 24 | 24 |
| Socials and outings | 6,714 | 10,820 |
| Newstape depreciation | 30 | 38 |
| Newstape expenses | 128 | 153 |
| | 94,803 | 98,452 |

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for the year ended 31 December 2010

| 12. Grants Payable | 2010 | 2009 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Blind and partially sighted | 13,365 | 12,540 |

This figure represents many small grants, all of which are payable to individuals

| 13. Staff Costs | 2010 | 2009 |
|---|-----------------|----------------|
| | £ | £ |
| Wages & salaries | 637,507 | 642,719 |
| Social security costs | 44,310 | 43,347 |
| Pension costs regular contributions | 13,556 | 17,725 |
| Pension costs actuarial adjustments annual | 8,000 | 15,000 |
| Pension costs actuarial adjustments scheme benefits | (52,000) | - |
| | 651,373 | 718,791 |

No employee received remuneration above £60,000 (2009 - £nil)

No member of the Council of Management received any remuneration (2009 - £nil)

No member of the Council of Management received any expenses (2009 - £nil)

| Particulars of employees | 2010 | 2009 |
|---|-------------|-------------|
| The average number of employees during the year were as follows | No. | No |
| Ostley House staff | 38 | 34 |
| Shop staff | 2 | 3 |
| Administration staff | 4 | 3 |
| Fund raising staff | 1 | 1 |
| Social workers | 4 | 4 |
| | 49 | 45 |

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

| 14. Operating Profit | 2010 | 2009 |
|---|-----------------|---------------|
| | £ | £ |
| Pension costs regular contributions | 13,556 | 17,725 |
| Pension costs actuarial adjustments annual | 8,000 | 15,000 |
| Pension costs actuarial adjustments scheme benefits | (52,000) | - |
| Depreciation | 22,236 | 25,026 |
| Auditors remuneration - audit | 1,200 | 1,185 |
| - other services | 5,137 | 4,114 |

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for the year ended 31 December 2010

| | Freehold Land & Buildings | Plant, equipment & motor vehicles | Total |
|---------------------------------|---------------------------------|--|-----------|
| | £ | £ | £ |
| 15 Tangible Fixed Assets | | | |
| Cost and Valuation | | | |
| At 1 January 2010 | 1,750,000 | 346,853 | 2,096,853 |
| Additions | - | 14,641 | 14,641 |
| At 31 December 2010 | 1,750,000 | 361,494 | 2,111,494 |
| Depreciation | | | |
| At 1 January 2010 | - | 271,867 | 271,867 |
| Charge for year | - | 22,022 | 22,022 |
| At 31 December 2010 | - | 293,889 | 293,889 |
| Net Book Value | | | |
| As at 31 December 2010 | 1,750,000 | 67,605 | 1,817,605 |
| As at 31 December 2009 | 1,750,000 | 74,986 | 1,824,986 |
| Historical Cost | | | |
| Cost | 2,397,988 | 361,494 | 2,759,482 |
| Net Book Value | 2,397,988 | 67,605 | 2,465,593 |

Revaluation of fixed assets

A valuation was carried out in February 2010 by an independent valuer Anthony R Bryson MRICS of HWM Surveyors and was based on market value with the benefit of vacant possession of 355 Ostley House and 5 Bungalows occupied under the terms of a conventional shorthold tenancy

16. Fixed Asset Investments

| Movement in market value | 2010 | 2009 |
|--|-------------|-------------|
| | £ | £ |
| Market value at 1 January 2010 | 33,135 | 33,123 |
| Disposals at market value | (12,210) | - |
| Net profit on revaluations in the year | 2,212 | 12 |
| Market value at 31 December 2010 | 23,137 | 33,135 |
| Historical cost at 31 December 2010 | 32,363 | 43,372 |

Analysis of investments at 31 December 2010 between funds

| | Total Funds 2010 £ | Total Funds 2009 £ |
|----------------------------------|---------------------------------------|---------------------------------------|
| Listed investments | | |
| UK quoted shares | 23,037 | 33,035 |
| Other UK investments | 100 | 100 |
| | 23,137 | 33,135 |
| Current Asset Investments | | |
| | 2010 £ | 2009 £ |
| Other UK investments | 100,542 | 100,000 |

The above investments are all held in the U K

The Barrow & Districts Society for the Blind Limited
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Notes to the Accounts

for the year ended 31 December 2010

| | | |
|---|---------------|---------------|
| 17. Stocks | 2010 | 2009 |
| | £ | £ |
| Goods for resale | 24,395 | 26,582 |
| Food stocks | 1,973 | 2,381 |
| | 26,368 | 28,963 |
| 18. Debtors | 2010 | 2009 |
| | £ | £ |
| Trade debtors | 3,273 | 968 |
| Other debtors | 92 | 619 |
| Prepayments and accrued income | 3,565 | 3,504 |
| Taxation recoverable | 454 | 1,447 |
| | 7,384 | 6,538 |
| 19. Creditors: amounts falling due within one year | 2010 | 2009 |
| | £ | £ |
| Bank loan | 4,760 | 4,376 |
| Carbon Trust loan | 3,432 | 3,432 |
| Trade creditors | 22,479 | 12,237 |
| Other creditors | 6,292 | 6,193 |
| Other taxes and social security | 9,619 | 12,853 |
| Accruals | 52,650 | 56,251 |
| | 99,232 | 95,342 |
| 20 Creditors: amounts falling due after one year | 2010 | 2009 |
| | £ | £ |
| Loans | | |
| The amounts fall due as follows | | |
| Between 1 and 2 years | 7,906 | 8,192 |
| Within 2 to 5 years | 14,280 | 19,417 |
| Over 5 years | 7,752 | 20,376 |
| | 29,938 | 47,985 |
| Within 1 year | 8,192 | 7,808 |
| | 38,130 | 55,793 |

Terms of repayment and interest of above

A bank loan with an original advance of £100,000 is repayable by instalments over 12 years and interest is 6.5% per annum. A balance of £40,000 was repaid off the loan in December 2009. A further repayment was made in November 2010 which reduced the period to 10 years. This loan is secured on the freehold shop and offices in Cavendish Street, Barrow in Furness.

An interest free loan from the Carbon Trust with an original advance of £10,320 is repayable by instalments over 3 years.

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for the year ended 31 December 2010

21. Commitments under Operating Leases

At 31 December 2010 the Society had annual commitments under non-cancellable operating leases as set out below

| | Assets other than land and buildings | |
|---------------------------------------|---|--------------|
| | 2010 | 2009 |
| | £ | £ |
| Operating leases which expire: | | |
| Within 1 year | - | - |
| Within 2 to 5 years | 7,168 | 7,168 |
| Over 5 years | 1,548 | 1,548 |
| | 8,716 | 8,716 |

22 Analysis of Net Assets by Funds

| | Tangible fixed assets | Investments | Other net liabilities | Total |
|----------------------|------------------------------|--------------------|------------------------------|------------------|
| | £ | £ | £ | £ |
| Designated funds | | | | |
| Fixed asset fund | 1,817,605 | - | (38,130) | 1,779,475 |
| Pension fund reserve | - | - | (77,000) | (77,000) |
| Unrestricted funds | - | 23,137 | 86,328 | 109,465 |
| | 1,817,605 | 23,137 | (28,802) | 1,811,940 |

23 Funds

| | At 1 Jan-10 | Incoming resources | Outgoing resources | Revaluation | Transfers | At 31 Dec-10 |
|---------------------------|--------------------|---------------------------|---------------------------|--------------------|------------------|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Fixed asset fund | 1,769,193 | - | (22,022) | - | 32,304 | 1,779,475 |
| Pension fund reserve | (237,000) | - | 44,000 | 116,000 | - | (77,000) |
| Total designated funds | 1,532,193 | - | 21,978 | 116,000 | 32,304 | 1,702,475 |
| Unrestricted funds | | | | | | |
| General funds | 133,355 | 994,035 | (988,958) | 3,337 | (32,304) | 109,465 |
| Total funds | 1,665,548 | 994,035 | (966,980) | 119,337 | - | 1,811,940 |

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 represents the net book value of tangible fixed assets less related liabilities |
| Pension fund reserve | The pension fund reserve has been set up to reflect the net pension liability in respect of the Local Government scheme |

The Barrow & Districts Society for the Blind Limited

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Notes to the Accounts

for the year ended 31 December 2010

24. Company Limited By Guarantee

The Company is registered under the Companies Act 2006 as a Company Limited By Guarantee and does not have a share capital

As at 31 December 2010 there were 12 members. The liability of each member in the event of the company being wound up is restricted to £1

25. Capital Commitments

Amounts contracted for but not provided in the accounts amounted to £nil (2009 - £nil)

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26. Pension Costs

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2010 by a qualified independent actuary. The major assumptions used by the actuary were

| | At 2010 | At 2009 | At 2008 |
|---|---------|---------|---------|
| Rate of RPI inflation | 3.3% | 3.2% | 3.3% |
| Rate of CPI inflation | 2.8% | 2.7% | - |
| Rate of increase in salaries | 4.55% | 4.95% | 5.05% |
| Rate of increase in pensions in payment | 2.8% | 3.2% | 3.3% |
| Discount rate | 5.4% | 5.5% | 6.1% |

The assets in the scheme and the expected rate of return were

| | Long term rate of return expected at 2010 | Value at 2010 £ | Long term rate of return expected at 2009 | Value at 2009 £ | Long term rate of return expected at 2008 | Value at 2008 £ |
|-------------------------------------|---|-----------------------|---|-----------------------|---|-----------------------|
| Equities | 7.50% | 430,000 | 7.50% | 458,000 | 7.50% | 331,000 |
| Bonds - Government | 4.40% | 150,000 | 4.50% | 176,000 | 4.00% | 137,000 |
| Bonds - Other | 5.10% | 117,000 | 5.20% | 84,000 | 6.00% | 59,000 |
| Property | 6.50% | 51,000 | 6.50% | 50,000 | 6.50% | 42,000 |
| Cash/Liquidity | 0.50% | 13,000 | 0.50% | 20,000 | 0.50% | 15,000 |
| Other | 7.50% | 73,000 | 7.50% | 74,000 | 7.50% | 82,000 |
| Total market value of assets | | 834,000 | | 862,000 | | 666,000 |
| Present value of scheme liabilities | | (911,000) | | (1,099,000) | | (875,000) |
| Deficit in the scheme | | (77,000) | | (237,000) | | (209,000) |
| Related deferred tax liability | | - | | - | | - |
| Net pension liability | | (77,000) | | (237,000) | | (209,000) |

Analysis of the amount charged to operating profit

| | 2010 £ | 2009 £ |
|---------------------------------|-----------|-----------|
| Current service cost | (11,000) | (11,000) |
| Past service gain/(loss) | 52,000 | - |
| Total operating credit/(charge) | 41,000 | (11,000) |

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for the year ended 31 December 2010

| 27 Pension costs (continued) | 2010 | 2009 |
|---|------------------|-------------|
| | £ | £ |
| Analysis of the amount charged to other pension costs | | |
| Expected return on pension scheme assets | 52,000 | 41,000 |
| Interest on pension scheme liabilities | (60,000) | (62,000) |
| Net return | (8,000) | (21,000) |
| Analysis of amount recognised in statement of total recognised gains and losses | | |
| | 2010 | 2009 |
| | £ | £ |
| Actuarial gains/(losses) | 116,000 | (13,000) |
| Movement in surplus during the year | 2010 | 2009 |
| | £ | £ |
| Deficit in scheme at beginning of the year | (237,000) | (209,000) |
| Movement in the year | | |
| Current service cost | (11,000) | (11,000) |
| Contributions | 11,000 | 17,000 |
| Past service gain | 52,000 | - |
| Other finance income | (8,000) | (21,000) |
| Actuarial gains/(losses) | 116,000 | (13,000) |
| Deficit at end of year | (77,000) | (237,000) |

The actuarial valuation at 31 March 2011 showed a decrease in the deficit from £237,000 to £77,000. Contributions increased to 22.2% of pensionable pay. The society has two options for future payments: Either a Rate of 82.6% of pensionable salary or a flat 17.4% for each of the next three years plus an initial £36,000 in year one, £38,000 in year two and £40,000 in year three.

FRS 17 requires the assets of defined benefit schemes to be measured at market value at each balance sheet date, and the liabilities to be measured using a specific valuation method and to be discounted using a corporate bond rate. Any resulting share of the pension scheme surplus or deficit is recognised on the society balance sheet. Any resulting gains and losses are recognised in the statement of total recognised gains and losses rather than being recognised gradually in the income and expenditure account.

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 two members of staff within this scheme. The charge for the period included within the SOFA is £1,173 and outstanding contributions at the year end amount to £96.