

REGISTERED COMPANY NUMBER 03133015
REGISTERED CHARITY NUMBER 1051674

**Report of the Trustees and
Financial Statements For The Year Ended 31 December 2011
for**

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

TUESDAY



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COMPANIES HOUSE

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

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

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for the Year Ended 31 December 2011**

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

**Report of the Trustees
for the Year Ended 31 December 2011**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03133015

Registered Charity number
1051674

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

Trustees

Mr C M Anderson	
Mr D J Cannell	- appointed 28/1/2011
Mrs B M Crellin	
Mr A S Hadley	
Mr G M James	- resigned 27/5/2011
Mrs J Milburn	
Mr G Postlethwaite	
Mrs D Rowley	
Mr A C Silver	
Mr A S Todd	

Chairman

Mr N A McKinnon

Company Secretary

Mr W Proctor

Auditors

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

Solicitors

Forresters Solicitors Ltd
Duke Street
Barrow-in-Furness
Cumbria
LA14 1XA

Livingstons Solicitors
9 Benson Street
Ulverston
Cumbria
LA12 7AU

Bankers

HSBC plc
Duke Street
Barrow-in-Furness
Cumbria
LA14 1LR

Cater Allan Private Bank
9 Nelson Street
Bradford
BD1 5AN

The Barrow & Districts Society for the Blind Limited

**Report of the Trustees
for the Year Ended 31 December 2011**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006

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 2011 there were 10 (2010: 10) 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.

Organisational structure

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.

Related parties

There were no connected charities or branches during the year ended 31 December 2011.

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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

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.

Significant activities

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 208 CD's per issue. Fundraising activities including flag days and envelope collections 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 Welfare Team help and support any of the 496 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.

The Barrow & Districts Society for the Blind Limited

**Report of the Trustees
for the Year Ended 31 December 2011**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2010 changes at Ostley House instituted by Manager Helen Winward and her staff significantly increased income and overheads were also reduced. During 2011 the number of support staff was increased to help satisfy new compliance regulations and increase the level of staff training. Unfortunately these increased costs were not offset by an increase in the amount received per resident from Social Services. We do not charge a different rate for privately funded residents.

Ostley House operational costs were actually reduced in many areas giving us an operational surplus on the house of £109,532 against £88,154 in 2010.

The other major change was a £65,000 increase in Donations and legacy income (Note 2).

Like most Barrow town centre retail outlets our shop income reduced and use of the full ground area as a shop is under continuous review. We value this town centre presence but without income from the mobile unit attending summer shows the level of gross profit would be minimal.

Social Clubs, Craft Classes and the Men's Club thrive under the control of our new Centre Manager. Newly registered visually impaired people are invited to our Activity and Resource Centre where they can talk to our staff and try a full range of specialised aids. Links between the Society and Furness General Hospital continue to flourish.

FINANCIAL REVIEW

Reserves policy

Our objective to maintain cash deposits at or above £150,000 remains unchanged.

Funds in deficit

During the last few years our accounts have shown various large amounts relating to the Society's Pension Fund and provisions required to ensure this scheme is fully funded. Last year an actuarial review as at 31st March 2010 showed a funding level of 92% yet a shortfall of £114,000 was calculated. We protested these figures with Pension Scheme Managers and their revised calculations reveal approximately £17,000 is required to cover the shortfall and we agreed to pay this amount over a three year period. Latest figures from Pension Fund Managers show a £32,000 increase in the fund notional deficit reducing the bottom line profit figure to £32,000. The overall situation is very confusing but until the formal 2013 actuarial review the Society will be paying an extra £5,700 per annum.

Investment policy and objectives

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.

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.

FUTURE DEVELOPMENTS

No substantial 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.

REVIEW OF FINANCIAL STATEMENTS

Income and expenditure

In simple terms our total income very much depends on surplus funds generated by Ostley House. Helen Winward and her team are doing a magnificent job as despite there being no increase in funding from Social Services reduced costs has increased the surplus by £21,000 to £109,532. Apart from administration costs our biggest outgoing of £91,000 is to support the welfare team, talking books and fund socials and outings. All surplus income is spent within our catchment area.

Overall 2011 has been a satisfactory year leaving us with an adjusted surplus of £63,812 compared with an operational deficit of £21,608 in 2010. The 2010 accounts show a surplus of £146,392 but the true operational deficit is calculated after excluding Pension Fund adjustments of £52,000 and £116,000. This turn round of £85,420 has to be seen against an increase of £65,353 in Donations and Legacy income. The true operational increase on the previous year of £20,067 is a measure of how successful we are in balancing expenditure in the community against funds generated by Ostley House. We must never rely on Legacies to balance the books.

Balance Sheet

Perhaps the most encouraging aspect of 2011 accounts is the increase in cash reserves and short-term investments from £143,616 to £204,372. Our target for 2011 was to restore instant access reserves to a figure above £150,000.

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

**Report of the Trustees
for the Year Ended 31 December 2011**

Apart from entries relating to the Society Pension Fund that are explained in note 23 - Pension Commitments, there has been little change in liabilities and the intention during 2012 is to repay, ahead of schedule, the outstanding Charity Bank Loan

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees 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 charitable company will continue in business

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

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee 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

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

ON BEHALF OF THE BOARD



Mr W Proctor – Company Secretary

Date 15 June 2012

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

We have audited the financial statements of The Barrow & Districts Society for the Blind Limited for the year ended 31 December 2011 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the 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 trustees and auditors

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

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

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

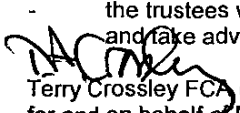
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees 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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to 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 Trustees.


Terry Crossley FCA (Senior Statutory Auditor)
for and on behalf of R F Miller & Co
Chartered Accountants &
Statutory Auditors
www.rfmca.com
Bellevue, Princes Street
Ulverston
Cumbria
LA12 7NB
Date 15 June 2012

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

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2011**

		2011 Unrestricted funds £	2010 Total funds £
	Notes		
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	91,769	26,416
Activities for generating funds	3	80,016	84,609
Investment income	4	3,855	1,785
Incoming resources from charitable activities			
Ostley House	5	863,372	875,606
Social welfare		<u>12,513</u>	<u>12,136</u>
Total incoming resources		1,051,525	1,000,552
RESOURCES EXPENDED			
Costs of generating funds			
Costs of generating voluntary income	6	11,956	16,162
Administration and Retail Centre	7	44,411	47,235
Charitable activities			
Costs of administration and retail centre	8	25,982	25,053
Grants payable		9,420	13,365
Ostley House		753,840	787,452
Social welfare		103,651	101,458
Pension costs actuarial adjustments scheme benefits		-	(52,000)
Governance costs	11	<u>37,676</u>	<u>34,772</u>
Total resources expended		986,936	973,497
NET INCOMING RESOURCES		64,589	27,055
Other recognised gains/losses			
Gains/losses on investment assets		(777)	3,337
Actuarial gains/losses on defined benefit schemes		<u>(32,000)</u>	<u>116,000</u>
Net movement in funds		31,812	146,392
RECONCILIATION OF FUNDS			
Total funds brought forward		1,811,940	1,665,548
TOTAL FUNDS CARRIED FORWARD		<u>1,843,752</u>	<u>1,811,940</u>

The notes form part of these financial statements

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

**Balance Sheet
At 31 December 2011**

	Notes	2011 Unrestricted funds £	2010 Total funds £
FIXED ASSETS			
Tangible assets	15	1,807,021	1,817,605
Investments	16	<u>22,360</u>	<u>23,137</u>
		1,829,381	1,840,742
CURRENT ASSETS			
Stocks	17	22,063	26,368
Debtors amounts falling due within one year	18	9,327	7,384
Investments	19	103,073	100,542
Cash at bank and in hand		<u>101,299</u>	<u>43,074</u>
		235,762	177,368
CREDITORS			
Amounts falling due within one year	20	<u>(117,391)</u>	<u>(99,232)</u>
NET CURRENT ASSETS		<u>118,371</u>	<u>78,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,947,752	1,918,878
CREDITORS			
Amounts falling due after more than one year	21	-	(29,938)
Retirement healthcare benefits obligations		<u>(104,000)</u>	<u>(77,000)</u>
NET ASSETS		<u>1,843,752</u>	<u>1,811,940</u>
FUNDS	24		
Unrestricted funds			
General fund		171,778	109,465
Fixed asset fund		1,775,974	1,779,475
Pension reserve		<u>(104,000)</u>	<u>(77,000)</u>
		1,843,752	1,811,940
TOTAL FUNDS		<u>1,843,752</u>	<u>1,811,940</u>

The notes form part of these financial statements

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

**Balance Sheet - continued
At 31 December 2011**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 15 June 2012 and were signed on its behalf by



Mr N A McKinnon - Chairman



Mr A S Todd - Finance Director

Notes to the Financial Statements
for the Year Ended 31 December 2011

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and in accordance with Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statements of Recommended Practice, Accounting and Reporting by Charities

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company

Incoming resources

Donations and legacies are accounted for when entitlement, certainty and measurement is known 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.

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.

Revenue grants are credited to the income and expenditure account when entitlement, certainty and measurement is known by the Society, 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 accrual basis equal to that of the depreciation on the capital item acquired.

Resources expended

Expenditure is accounted for on an accruals basis and allocated to the various expense headings.

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. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

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.

Tangible fixed assets

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:

Plant and machinery	25% reducing balance
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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 and 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 FRS 11 is carried out to ensure that the net realisable value of the property is not lower than its carrying value.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

The Barrow & Districts Society for the Blind Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

1 ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

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

Pension costs and other post-retirement benefits

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.

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.

2 VOLUNTARY INCOME

	2011 £	2010 £
Donations	24,170	14,632
Legacies - General	53,460	10,359
Donations - Ostley House	2,490	1,314
Legacies - Ostley House	11,000	-
Payroll Giving	564	111
Newstape	85	-
	<u>91,769</u>	<u>26,416</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2011 £	2010 £
Shop income	50,327	54,395
Appeals donations	379	170
Boxes	2,883	1,911
Races, shows, sales etc	7,790	11,239
Flag days, envelope collections	5,066	4,605
Loose change appeal	539	917
Weather lottery	336	366
Income from shows	-	4,350
Jewellery commission	18	-
Necessitous blind sales	12,678	6,656
	<u>80,016</u>	<u>84,609</u>

4 INVESTMENT INCOME

	2011 £	2010 £
Bank interest receivable	2,564	531
Other fixed asset invest - FII	1,291	1,254
	<u>3,855</u>	<u>1,785</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2011 £	2010 £
Ostley House income	Ostley House	831,445	843,732
Bungalow rentals	Ostley House	31,927	30,424
Training allowance	Ostley House	-	1,450
Grants Receivable - Cumbria County Council	Social welfare	<u>12,513</u>	<u>12,136</u>
		<u>875,885</u>	<u>887,742</u>

6 COSTS OF GENERATING VOLUNTARY INCOME

	2011 £	2010 £
Staff costs	10,650	10,878
Printing, stationery, advertising & postage	88	(34)
Materials	73	410
Travel expenses	1,090	1,010
Coronation Hall hire	<u>55</u>	<u>3,898</u>
	<u>11,956</u>	<u>16,162</u>

**7. ADMINISTRATION AND RETAIL
CENTRE**

	2011 £	2010 £
Opening stock	24,395	26,582
Purchases	25,883	29,092
Closing stock	(20,850)	(24,395)
Staff costs	11,530	10,944
Advertising	50	81
Sundries and cleaning	1,530	2,425
Vehicle insurance	359	402
Repairs & renewals	1,000	1,618
Interest payable and similar charges	<u>514</u>	<u>486</u>
	<u>44,411</u>	<u>47,235</u>

8 CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 9) £	Support costs (See note 10) £	Totals £
Costs of administration and retail centre	-	-	25,982	25,982
Ostley House	675,904	-	77,936	753,840
Social welfare	103,651	-	-	103,651
Grants payable	<u>-</u>	<u>9,420</u>	<u>-</u>	<u>9,420</u>
	<u>779,555</u>	<u>9,420</u>	<u>103,918</u>	<u>892,893</u>

9 GRANTS PAYABLE

	2011 £	2010 £
Grants payable	<u>9,420</u>	<u>13,365</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

10 SUPPORT COSTS

	Management £
Governance costs	25,981
Costs of administration and retail centre Ostley House	25,982
	<u>77,936</u>
	<u>129,899</u>

Support costs, included in the above, are as follows

Management

				2011	2010
	Governance costs £	Costs of administration and retail centre £	Ostley House £	Total activities £	Total activities £
Wages	16,634	16,634	49,903	83,171	77,278
Social security	1,473	1,473	4,417	7,363	7,409
Pensions	1,730	1,730	5,189	8,649	10,597
Rates and water	399	399	1,195	1,993	1,218
Insurance	1,076	1,076	3,225	5,377	4,983
Light and heat	763	763	2,288	3,814	4,478
Telephone	225	225	678	1,128	1,393
Postage and stationery	508	508	1,522	2,538	1,738
Advertising	-	-	-	-	918
Sundries	571	571	1,713	2,855	2,712
Legal & professional	-	-	-	-	477
Repairs & renewals	901	902	2,705	4,508	3,768
Travelling expenses	613	613	1,840	3,066	1,853
Computer maintenance	840	840	2,520	4,200	4,966
Cleaning	73	73	218	364	506
Depreciation of tangible and heritage assets	175	175	523	873	1,160
	<u>25,981</u>	<u>25,982</u>	<u>77,936</u>	<u>129,899</u>	<u>125,254</u>

11. GOVERNANCE COSTS

	2011 £	2010 £
Legal and professional fees	2,553	685
Auditors' remuneration	5,128	5,127
Auditors' remuneration for non-audit work	1,710	1,210
Interest payable and similar charges	2,304	2,697
Support costs	<u>25,981</u>	<u>25,053</u>
	<u>37,676</u>	<u>34,772</u>

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011 £	2010 £
Auditors' remuneration	5,128	5,127
Depreciation - owned assets	<u>19,047</u>	<u>22,022</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

13 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2011 nor for the year ended 31 December 2010

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 December 2011 nor for the year ended 31 December 2010

During the year, Mr A Todd, the finance director, received honoraria of £1,000

14 STAFF COSTS

	2011 £	2010 £
Wages and salaries	626,239	637,026
Social security costs	38,712	44,790
Other pension costs	<u>10,069</u>	<u>21,556</u>
	<u>675,020</u>	<u>703,372</u>

The average monthly number of employees during the year was as follows

	2011	2010
Ostley House staff	42	38
Shop staff	2	2
Administration staff	5	4
Fund raising staff	1	1
Welfare team staff	<u>4</u>	<u>4</u>
	<u>54</u>	<u>49</u>

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

No employee received remuneration above £60,000

15 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 January 2011	1,750,000	361,494	2,111,494
Additions	<u>-</u>	<u>8,463</u>	<u>8,463</u>
At 31 December 2011	<u>1,750,000</u>	<u>369,957</u>	<u>2,119,957</u>
DEPRECIATION			
At 1 January 2011	-	293,889	293,889
Charge for year	<u>-</u>	<u>19,047</u>	<u>19,047</u>
At 31 December 2011	<u>-</u>	<u>312,936</u>	<u>312,936</u>
NET BOOK VALUE			
At 31 December 2011	<u>1,750,000</u>	<u>57,021</u>	<u>1,807,021</u>
At 31 December 2010	<u>1,750,000</u>	<u>67,605</u>	<u>1,817,605</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

15 TANGIBLE FIXED ASSETS - continued

If freehold property had not been revalued in 2010, it would have been included at the following historical cost
£2,397,988

16 FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 January 2011	23,037	100	23,137
Revaluations	<u>(777)</u>	<u>-</u>	<u>(777)</u>
At 31 December 2011	<u>22,260</u>	<u>100</u>	<u>22,360</u>
 NET BOOK VALUE			
At 31 December 2011	<u>22,260</u>	<u>100</u>	<u>22,360</u>
At 31 December 2010	<u>23,037</u>	<u>100</u>	<u>23,137</u>

There were no investment assets outside the UK

17 STOCKS

	2011 £	2010 £
Stocks	<u>22,063</u>	<u>26,368</u>

18 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	3,454	3,273
Other debtors	2,075	546
Prepayments and accrued income	<u>3,798</u>	<u>3,565</u>
	<u>9,327</u>	<u>7,384</u>

19. CURRENT ASSET INVESTMENTS

	2011 £	2010 £
Other	<u>103,073</u>	<u>100,542</u>

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts	31,047	8,192
Trade creditors	9,187	22,479
Social security and other taxes	8,923	9,306
VAT	206	313
Other creditors	6,043	6,292
Accruals and deferred income	<u>61,985</u>	<u>52,650</u>
	<u>117,391</u>	<u>99,232</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

21 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Bank loans - 1-2 years	-	7,906
Bank loans - 2-5 years	-	14,280
Bank loans more 5 yr by instal	-	<u>7,752</u>
	<u>-</u>	<u>29,938</u>

Amounts falling due in more than five years

Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>7,752</u>

Terms of repayment and interest of above

A bank loan with an original advance of £100,000 was 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 of £10,000 was made in November 2010 which reduced the period to 10 years. The balance outstanding at 31 December 2011 was £27,901. This has been fully repaid in March 2012.

An interest free loan from the Carbon Trust with an original advance of £10,320 is repayable by instalments over 3 years. £3,146 is outstanding at 31 December 2011.

22. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2011 £	2010 £
Expiring		
Between one and five years	8,716	7,168
In more than five years	<u>-</u>	<u>1,548</u>
	<u>8,716</u>	<u>8,716</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

23. PENSION COMMITMENTS

The company operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2012 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 2011	At 2010	At 2009
Rate of CPI inflation	2.3%	2.8%	2.7%
Rate of increase in salaries	4.05%	4.55%	4.95%
Rate of increase in pensions in payment	2.3%	2.8%	3.2%
Discount rate	4.6%	5.4%	5.5%

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

	Long term rate of return expected at 2011	Value at 2011 £	Long term rate of return expected at 2010	Value at 2010 £	Long term rate of return expected at 2009	Value at 2009 £
Equities	7.00%	446,000	7.50%	430,000	7.50%	458,000
Bonds - Government	3.10%	138,000	4.40%	150,000	4.50%	176,000
Bonds - Other	4.10%	138,000	5.10%	117,000	5.20%	84,000
Property	6.00%	55,000	6.50%	51,000	6.50%	50,000
Cash/Liquidity	0.50%	14,000	0.50%	13,000	0.50%	20,000
Other	7.00%	<u>72,000</u>	7.50%	<u>73,000</u>	7.50%	<u>74,000</u>
Total market value of assets		863,000		834,000		862,000
Present value of scheme liabilities		(967,000)		(911,000)		(1,099,000)
Deficit in scheme		(104,000)		<u>(77,000)</u>		(237,000)
Related deferred tax liability		-		-		-
Net pension liability		<u>(104,000)</u>		<u>(77,000)</u>		<u>(237,000)</u>

Analysis of the amount charged to operating profit

	2011 £	2010 £
Current service cost	(9,000)	(11,000)
Past service gain/(loss)	-	<u>52,000</u>
Total operating credit/(charge)	<u>(9,000)</u>	<u>41,000</u>

Analysis of the amount charged to other pension costs

	2011 £	2010 £
Expected return on pension scheme assets	50,000	52,000
Interest on pension scheme liabilities	<u>(49,000)</u>	<u>(60,000)</u>
Net return	<u>1,000</u>	<u>(8,000)</u>

Analysis of amount recognised in statement of total recognised gains and losses

	2011 £	2010 £
Actuarial gains/(losses)	<u>(32,000)</u>	<u>116,000</u>

Movement in surplus during the year

	2011 £	2010 £
Deficit in scheme at beginning of the year	(77,000)	(237,000)
Movement in the year		
Current service cost	(9,000)	(11,000)
Contributions	13,000	11,000
Past service gain	-	52,000
Other finance income	1,000	(8,000)
Actuarial gains/(losses)	<u>(32,000)</u>	<u>116,000</u>
Deficit at end of year	<u>(104,000)</u>	<u>(77,000)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

23. PENSION COMMITMENTS

The actuarial valuation at 31 March 2012 showed an increase in the deficit from £77,000 to £104,000. Contributions were based on 17.4% of pensionable pay plus an annual amount of £5,700, and this will continue for the next two years.

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 year included within the SOFA is £1,427 and outstanding contributions at the year end amount to £138.

24. MOVEMENT IN FUNDS

	At 1 1 11 £	Net movement in funds £	Transfers between funds £	At 31 12 11 £
Unrestricted funds				
General fund	109,465	58,812	3,501	171,778
Fixed asset fund	1,779,475	-	(3,501)	1,775,974
Pension reserve	(77,000)	(27,000)	-	(104,000)
	<u>1,811,940</u>	<u>31,812</u>	<u>-</u>	<u>1,843,752</u>
TOTAL FUNDS	<u>1,811,940</u>	<u>31,812</u>	<u>-</u>	<u>1,843,752</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,051,525	(991,936)	(777)	58,812
Pension reserve	-	5,000	(32,000)	(27,000)
	<u>1,051,525</u>	<u>(986,936)</u>	<u>(32,777)</u>	<u>31,812</u>
TOTAL FUNDS	<u>1,051,525</u>	<u>(986,936)</u>	<u>(32,777)</u>	<u>31,812</u>

25. 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, less related liabilities.

Pension reserve

The pension reserve has been set up to reflect the net pension liability.

