

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 March 2018**

**Registered Company Number: 1900123**

**Registered Charity Number: 516477**

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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## THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

### Officers and Advisers

Governors	Focus:	J. E. Cade G Prior (until 4.4.18) R Hindle
	QAC:	C. J. Bradshaw D. Corney Prof J. Hilbourne
	Members:	M. Billingham G. Oakley (Chair) M. Quantrill
Treasurer		J. Dixon
Company Secretary		P Taylor
External Auditor		Mazars LLP 45 Church Street Birmingham B3 2RT
Principal Bank		Lloyds Bank PLC PO Box 908 125 Colmore Row Birmingham B3 2DS
Investment Managers		Quilter Cheviot Investment Management Two Snowhill Birmingham B4 6GA
Registered Office		49 Court Oak Road Harborne Birmingham B17 9TG

## **THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **GOVERNORS' REPORT 31 March 2018**

The Governors (who are also Trustees and Directors for the purposes of Charity and Company Law) present their annual directors' report and financial statements of the Charitable Company for the year ended 31 March 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, the Statement of Recommended Practice and the Financial Reporting Standard (FRS 102).

The Charitable Company is also known under its abbreviated name of BRIB.

### **OBJECTIVES AND ACTIVITIES**

The Company has been established to promote, as a Charity, the relief and education of blind people or those people significantly handicapped by defective vision or threatened by blindness and other disabilities by securing the provision of assistance and support. It carries out these objectives by supporting organisations, principally Queen Alexandra College and Focus Birmingham, with the aim of enabling blind and disabled people to lead their lives to the maximum potential, improving the quality of life and encouraging independence.

The support takes the form of grants, the provision of resources, expertise and encouragement to the organisations. The Governors are aware of the Charity Commission's general guidance on public benefit and believe that this support, together with their on-going review of the Company's aims, objectives, future plans and grant making policy satisfies these requirements.

#### **Grant Making Policy**

It is the policy of the Governors to make grants only out of accumulated income and following a decision of a meeting of the Board. Grants will be considered out of surplus income available after all expenses consequent on the support of the two associated charities, which are Focus Birmingham and Queen Alexandra College, have been adequately sourced.

Grants may be made to qualifying individuals or to organisations whose principal purpose is the support of blind people and those significantly handicapped by defective vision or threatened by blindness and other disabilities.

The total amount of grants to be made by Governors shall be determined by them at the meeting at which the budget for the financial year is considered. Applications for grants will be considered at any meeting of the Board.

### **ACHIEVEMENTS AND PERFORMANCE**

The Charity received total income for the year of £919,813 (2017: £784,230), and the Governors are pleased to be able to report that £805,130 (2017: £706,915) has been distributed to its associated Charities. In particular this year Governors approved a grant to QAC in respect of refurbishment of the Old Woodville building (£41,000). Under terms of the transfer agreement, the Charity has also made or committed 2 small grants to QAC and Focus from the Staff Indemnities reserve in respect of staff redundancies.

### **FINANCIAL REVIEW**

#### **i) RESULTS FOR THE YEAR**

Income for this year was £919,813 compared to £784,230 in 2017. Legacies and Bequests accounted for £45,656 compared with £1,241 in 2017. While the majority of rent receivable is distributed to the associated Charities as grants, BRIB continued to benefit from the rent receivable for Oakwood and Beech House (the latter was leased to New Outlook during the year).

## **THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **GOVERNORS' REPORT**

**31 March 2018**

#### **FINANCIAL REVIEW (continued)**

In furtherance of its objectives, the Charity made grants totalling £166,105 to Focus Birmingham (2017: £152,260) and £639,025 to Queen Alexandra College (2017: £554,655). The Charity did not make any grants to any other Charity during the year (2017: £nil).

The Charity's investment portfolio made a deficit of £19,559 on disposal and revaluation compared with a surplus of £253,291 in 2017.

The Statement of Financial Activities on page 12 shows outgoing resources of £934,854 which when combined with income and the decrease in the Charity's investment portfolio leads to the total net decrease in funds for the year of £34,600.

The Board is satisfied that its activities during the year, principally through its support of its associated charities, served to adequately discharge its charitable objects.

#### **ii) FIXED ASSETS**

All tangible fixed assets are held for the purpose of carrying out the Charity's main objectives. The Governors believe the market value of the Charity's freehold land and buildings to be more than their net book value, although no independent valuations have been obtained, as it is considered that the cost of obtaining the valuations is out of proportion to the usefulness of the information.

#### **iii) INVESTMENT POLICY AND PERFORMANCE**

The Governors' Investment Policy is to primarily invest in an appropriate mix of real assets, i.e. bonds, UK & international equities, cash, and from time to time, other asset classes, in order to generate the required levels of return for the Charity to achieve its objectives. The mix of asset classes should reduce the volatility which could result from a purely equity based portfolio.

The portfolio is managed on a discretionary basis by a leading firm of investment managers. A sub-committee of the Governors meets regularly with the investment managers and is charged with monitoring the performance against agreed benchmarks and ensuring that the portfolio is managed in line with the Statement of Investment Principles that the Board has approved. The composition of the benchmark includes separate indices for each asset class, and includes the FTSE All Share Index, the FTSE British Government All Stocks, the FTSE World ex UK Index and the IPD Property Index. The benchmark return for hedge funds is calculated by using 50% of the return of the FTSE British Government All Share Index and 50% of the FTSE All-Share Index.

Following a review by the Governors in 2014, the Investment Management Service has been carried out by Quilter Cheviot since July 2015.

In the period since Quilter Cheviot received the Investment funds the portfolio showed a total return of 17.6% which compares with a rise of 16.9% in the benchmark. It should be noted the FTSE All Share returned 17.7% and the FTSE 100 returned 17.2% over the same period. The Governors believe the investments continue to meet their requirements in terms of suitability.

## **THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **GOVERNORS' REPORT 31 March 2018**

#### **FINANCIAL REVIEW (continued)**

##### **iv) RESERVES POLICY**

The Reserves of the Charity consist of Unrestricted Funds, £4,398,618 (2017: £4,426,210) and Restricted Funds of £21,022 (2017: £28,030). The Governors may distribute the full value of the Unrestricted Funds at their discretion in carrying out the objects of the Charity. However, it is the aim of the Governors to manage the financial resources of the Charity so as to permit the two associated Charities (Focus Birmingham and Queen Alexandra College) to enjoy the property facilities on the Harborne site and to support financially the activities of these two Charities where appropriate and feasible. Further support of blind, partially sighted and disabled people, as governed by BRIB's constitution, may also be made available.

Further to the above aims, the Governors intend to maintain all the resources invested in Fixed Assets and those earmarked to cover staff indemnities as designated reserves and not make them available for discretionary distribution. In addition, the Governors intend to maintain resources invested in marketable securities of approximately £1.5 million, the income from which will fund BRIB's on-going activities as a sustainable charity. This is also a designated reserve and not available for discretionary distribution. The balance on the General Fund of £578,789 (2017: £513,221) is available for discretionary distribution as determined by the Governors.

If the resources invested in market securities fall short of the above target, the Governors intend to bring such resources to this level as soon as possible. The target value of the investment portfolio is reviewed and determined by the Governors from time to time.

The Restricted Funds are as detailed in note 15 to the accounts. They are not available for discretionary distribution by the Governors and may only be utilised for specific purposes.

##### **v) RISK ASSESSMENT AND MANAGEMENT**

The Governors continue to assess the major risks to which the Charity is exposed, in particular those related to the operations and finances of the organisation and are satisfied that systems are either in place or are being developed to mitigate exposure to the major risks. An annual review of the Charity's risk register occurs, with particular emphasis on the risks revolving around the principle assets of the Charity, which generate the income from which the Charity exercises its grant powers.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Company, which is limited by guarantee (No 1900123), is registered as a Charity (No 516477) with the Charity Commission and entered in the Central Register of Charities. The Company is governed by its Memorandum and Articles of Association. On 1 April 1985 it took over the activities, assets, liabilities and funds of the unincorporated Charity of the same name which had existed since 1846. On 31 December 1997 the operations of Queen Alexandra College and Focus Birmingham were transferred to their new charitable companies. The Birmingham Royal Institution for the Blind (BRIB) retained freehold property and investments and the income from these is distributed by grants to these charities and others working with visually impaired people.

The administration of the Charity is effected by a Board of Governors who are both Trustees of the Charity and Directors of the Company. The Board is made up of nine Governors, three of whom are appointed by Focus Birmingham, three by Queen Alexandra College and three by the members of BRIB. The Board of Governors set out the general policies of the Charity, which are implemented by the honorary officers. The Governors and honorary officers (Company Secretary and Treasurer) are the Key Management Personnel of the Charity. All serve without remuneration. The financial records were maintained by Queen Alexandra College during the year under a service level agreement.

## **THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **GOVERNORS' REPORT (continued)**

**31 March 2018**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Connected Organisations**

Principal connected organisations are as follows:

##### **Queen Alexandra College (QAC)**

This Charity was established in 1997 to take over the further education and training for work operations of BRIB on 31 December 1997. It has been granted a long lease by BRIB on part of its Harborne site and benefits from funding commitments made by BRIB. It has the right to appoint one third of the Governors of BRIB and no decisions can be made by BRIB Governors unless at least one QAC representative is present and votes in favour. During the year it paid rent of £625,670 to the Charity and received grants of £639,025.

##### **Focus Birmingham**

This Charity was established in 1997 to take over, on 31 December 1997, the provision and promotion of services to blind or partially sighted people in the community, the operations previously being called BRIB Vision Services. It also has been granted a long lease by BRIB on part of its Harborne site and benefits from funding commitments made by BRIB. It has the same representation and voting rights on BRIB's board of Governors as Queen Alexandra College. During the year it paid rent of £168,690 to the Charity and received grants of £166,105.

##### **New Outlook Housing Association Limited**

The housing association operates housing and care facilities for blind and partially sighted people, largely built on land owned by BRIB.

In the year Focus surrendered their lease of Beech House and the Charity granted a lease to New Outlook for this building as a supplemental lease to that of Albert Weedall Centre. The rent was payable by New Outlook from the start date (1<sup>st</sup> June 2017). The first rent review will be in 5 years to RPI followed by annual increases thereafter. During the year it paid rent of £20,000 to the Charity (2017: £nil).

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Details of the Charity's advisors, current Governors and statutory information are set out on page 2 of these Financial Statements; the following were Governors during the year and unless otherwise indicated, served for the full year.

##### **Appointed by Focus Birmingham**

Mr J. E. Cade  
Mr G Prior (until 4.4.18)  
Mr. R Hindle

##### **Appointed by Queen Alexandra College**

Mr. C J Bradshaw  
Mr. D. Corney  
Prof. J. Hilbourne

##### **Elected by Members**

Mr. M. Billingham  
Mr. G. Oakley  
Mr. M. Quantrill

## **THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **GOVERNORS' REPORT (continued) 31 March 2018**

#### **REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

None of the Governors has any beneficial interest in the charitable Company and all served without remuneration.

Governors recognise the need for training and have agreed a Training Policy comprising induction arrangements for future new Governors and on-going training for existing Governors. As part of this all Governors have received a pack of briefing material recommended by the Charity Commission.

The Charity paid £728 in the year for £1,000,000 of Directors and Officers insurance cover.

#### **FUTURE PLANS**

The Charity has set a budget for 2018-19; activities will remain similar to previous years.

#### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

We are required under Charity and Company law to prepare financial statements for each financial period which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view we are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make reasonable and prudent judgements and estimates;
- State whether applicable accounting standards have been followed and give details of any departures; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue.

We are responsible for keeping accounting records which enable us to ascertain with reasonable accuracy the financial position of the Charity and to ensure that the financial statements comply with applicable law. We are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

So far as each of the Governors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and each of the Governors has taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.



**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**GOVERNORS' REPORT (continued)**  
**31 March 2018**

**AUDITOR**

Mazars LLP have agreed to offer themselves for re-appointment as auditor at the annual general meeting.

The Governors have prepared this report in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

Signed on behalf of the Governors

A handwritten signature in black ink, appearing to read 'G Oakley', with a long horizontal stroke extending to the right.

G Oakley  
Chairman  
Registered Office  
49 Court Oak Road  
Harborne B17 9TG

20 June 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

### **Opinion**

We have audited the financial statements of The Birmingham Royal Institution for the Blind for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its net movement in funds 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Use of the audit report**

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Governors' (who are also the Trustees and directors for the purposes of Charity and Company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial

statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in Governors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Governors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Governors' 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 Governors' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Governors**

As explained more fully in the Governors' responsibilities statement set out on page 7, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Ian Holder (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham B3 2RT

5<sup>th</sup> July 2018

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**STATEMENT OF FINANCIAL ACTIVITIES  
(Including the Income and Expenditure account)  
FOR THE YEAR ENDED 31 March 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	2018 Total £	2017 Total £
<b>Income</b>					
Donations and Legacies	3	47,485	-	47,485	4,168
Charitable Activities					
Rent and Tenancy Registrations		814,360	-	814,360	732,248
Investment Income	4	57,969	-	57,969	47,814
<b>Total Income</b>		<b>919,813</b>	<b>-</b>	<b>919,813</b>	<b>784,230</b>
<b>Expenditure on:</b>					
Raising Funds	5	14,674	-	14,674	12,939
Charitable Activities	6	913,173	7,008	920,181	839,989
<b>Total Resources Expended</b>		<b>927,846</b>	<b>7,008</b>	<b>934,854</b>	<b>852,928</b>
Net Gains/ (losses) on Investment Assets		(19,559)	-	(19,559)	253,291
<b>Net movement in funds</b>		<b>(27,592)</b>	<b>(7,008)</b>	<b>(34,600)</b>	<b>184,593</b>
Balances @ 1 <sup>st</sup> April 2017		4,426,210	28,030	4,454,240	4,269,647
Balances @ 31 <sup>st</sup> March 2018		4,398,618	21,022	4,419,640	4,454,240

**Unrestricted Funds**

<b>Income and Expenditure, Net of Historical Costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net Movement in Funds (above)	(34,600)	184,593
Add unrealised losses/(gains) on investments	15,782	(238,632)
Difference between historical cost, depreciation charge and the actual depreciation charge of the year calculated on the revalued amount.	8,399	15,695
<b>Historical Cost (deficit) for the year</b>	<b>(10,419)</b>	<b>(38,344)</b>

The deficit for the year for Companies Act 2006 purposes is £18,818 (2017: £54,039).

All amounts relate to continuing operations.

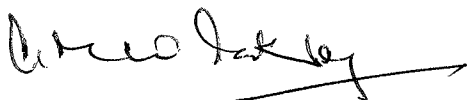
**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND (Company No 1900123)**

**BALANCE SHEET as of 31 March 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	8	2,317,388		2,414,977	
Investments	9	2,012,207		1,956,439	
<b>Current Assets</b>					
Debtors: Amounts falling due within one year	10	10,768		19,918	
Cash at Bank and In Hand		<u>132,779</u>		<u>79,111</u>	
		143,547		99,029	
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	11	<u>(53,501)</u>		<u>(16,205)</u>	
<b>Net Current Assets</b>			90,046		82,824
<b>Total Net Assets</b>			<u>4,419,640</u>		<u>4,454,240</u>
<b>The Funds of the Charity:</b>					
<b>Unrestricted Funds</b>	13				
General Fund		578,789		513,221	
Revaluation Reserve	14	628,360		636,759	
Designated Funds	14	<u>3,191,469</u>		<u>3,276,230</u>	
		4,398,618		4,426,210	
<b>Restricted Funds:</b>					
Other Funds	15	21,022		28,030	
<b>Total Funds</b>			<u>4,419,640</u>		<u>4,454,240</u>

The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 12 to 24 were approved by the Governors, authorised for issue on 20 June 2018, and signed on their behalf by:



G. Oakley



D. J. Conroy

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 March 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
<b>Net Cash provided by Operating Activities</b>	1	71,025	62,521
<b>Cash flows from investing activities:</b>			
Dividend income		57,960	47,787
Interest received		9	27
Proceeds from sale of investments		227,439	467,495
Purchase of Investments		(387,482)	(480,101)
<b>Change in cash and cash equivalents in the reporting period</b>	2	(31,048)	97,729

**Notes to the Statement of Cash Flow**

**1. Reconciliation of net (expenditure)/income to Net Cash flow from Operating Activities**

Net (expenditure)/income for the year	(34,600)	184,593
Adjustments for:		
Depreciation charges	97,589	112,802
Losses/(gains) on investments	19,559	(253,291)
Bank Interest Receivable and Investment Income	(57,969)	(47,814)
	24,579	(3,710)
Decrease in Debtors	9,150	63,743
Increase in Creditors and Deferred Income	37,296	2,488
<b>Net Cash Inflow from Operating Activities</b>	71,025	62,521

**2. Analysis of Change in Net Funds**

	At 1 April 2017 £	Cash Flows £	At 31 March 2018 £
Cash in Hand	79,111	53,668	132,779
Held as part of investment portfolio	129,980	(84,716)	45,264
	209,091	(31,048)	178,043

**3. Reconciliation of Net Cash Flow to Movement in Net Funds**

	£
(Decrease) in Cash in the year	(31,048)
Net Funds at 1 April 2017	209,091
Net Funds at 31 March 2018	178,043

# THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 March 2018

### 1. ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of assets and in accordance with the Companies Act 2006. These financial statements comply with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). In addition:

- (1) BRIB is considered to be a public benefit entity.
- (2) The financial statements have been prepared under a going concern basis, and there are no material concerns in this regard.
- (3) BRIB is a limited liability Company (1900123), incorporated in England and Wales with a registered office at 49, Court Oak Road, Harborne, Birmingham, B17 9TG.

#### (b) Uses of Estimates and Judgements

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The Governors are of the opinion that there are no significant key areas of management judgement and estimates used in the preparation of the financial statements.

#### (c) Tangible Fixed Assets

Tangible fixed assets are recorded at cost or valuation. Tangible assets which have been donated to BRIB are recorded at their current use valuation at the time of acquisition.

Expenditure of less than £1,000 on plant, furniture, fixtures and fittings is charged as resources expended in the year of acquisition.

Fixed assets funded by specific donation are capitalised and depreciated in line with the normal depreciation rates shown below. Specific donations to acquire such assets are brought into the statement of financial activities when receivable and included in restricted funds. Depreciation on the value of such assets is charged against restricted funds.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset less its estimated residual value over its expected useful life as follows:

Land	No depreciation
Freehold Property	Straight line basis over the expected useful life of individual buildings, as determined by property advisers (between 15 and 50 years).
Fixtures and Fittings	10% on cost



**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**1. ACCOUNTING POLICIES (continued)**

**(d) Income**

Income is included in the financial statements on an accruals basis. Income from legacies is accrued when the receipt of the legacy is probable and the amount to be received can be reliably estimated.

**(e) Grants**

Grants received towards specific projects are taken to income during the period in which they are receivable. Grants payable are recognised as expenditure when the commitment is entered into. Where such a grant is to be paid over by instalments, the outstanding balance is disclosed as a liability.

**(f) Expenditure**

Expenditure is accounted for on an accruals basis. The cost of irrecoverable Value Added Tax is included with the item of expense to which it relates.

**(g) Investments**

Investments are stated at market value at the balance sheet date less provision for any permanent diminution in value occurring after the balance sheet date.

Any gain or loss on disposal or revaluation is taken to the Statement of Financial Activities.

**(h) Funds**

**Restricted Funds**

These consist of monies received by the Charity for specific purposes less expenditure to date.

**Unrestricted Funds**

**Designated Funds**

These funds, which have been set aside from the general fund, equate to the net book value of those tangible assets which are not represented by restricted funds together with such other sums as may be determined by the Governors from time to time.

**General Fund**

This fund represents the accumulated surplus arising from the Charity's activities.

**(i) Voluntary Help**

No financial value has been attributed to the voluntary help received by the Charity during the year.

# THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2018

### (j) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 2. CHARITABLE STATUS

The Birmingham Royal Institution for the Blind is a registered Charity and is exempt from Income Tax and Capital Gains Tax provided its income and gains are applied for charitable purposes.

### 3. DONATIONS AND LEGACIES

	2018 £	2017 £
Legacies	45,656	1,241
Grants, Donations and Events	1,829	2,927
	<u>47,485</u>	<u>4,168</u>

### 4. INCOME FROM INVESTMENTS

	2018 £	2017 £
Listed Fixed Asset Investments	57,960	47,787
Short Term Deposits	9	27
	<u>57,969</u>	<u>47,814</u>

### 5. COST OF RAISING FUNDS

	2018 £	2017 £
Investment Management Fees	<u>14,674</u>	<u>12,939</u>

### 6. CHARITABLE ACTIVITIES

	2018 £	2017 £
<b>General Fund</b>		
Grants to Queen Alexandra College	639,025	554,655
Grants to Focus Birmingham	166,105	152,260
Administration and Financial Services	17,462	20,272
	<u>822,592</u>	<u>727,187</u>
<b>Designated Funds</b>		
Depreciation of Fixed Assets	90,581	105,794
<b>Restricted Funds</b>		
Depreciation of Fixed Assets	7,008	7,008
<b>Total</b>	<u>920,181</u>	<u>839,989</u>

Administration and Financial Services costs include Governance costs of £6,780 (2017: £6,600). Audit fees amount to £6,780 (2017: £6,600).

# THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

## NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2018

### 7. GOVERNORS AND HONORARY OFFICERS

The Governors and honorary officers (Company Secretary and Treasurer) are the Key Management Personnel of the Charity. No remuneration was paid to any Governor or honorary officer. (2017: Nil). During the year no expenses were claimed by any Governor or honorary officer (2017: Nil). All expenses are incurred wholly and exclusively in carrying out their duties as Governors of the Charity and are in accordance with the Articles of Association.

The Charity paid £728 in the year for £1,000,000 of Directors & Officers insurance cover (2017: £1,137).

### 8. FIXED ASSETS

	Freehold Land £	Freehold Buildings £	Total £
<b>Cost or Valuation</b>			
1 April 2017	760,000	4,572,889	5,332,889
Disposals	-	-	-
31 March 2018	760,000	4,572,889	5,332,889
<b>Depreciation</b>			
1 April 2017	-	2,917,912	2,917,912
Provided in the Year	-	97,589	97,589
31 March 2018	-	3,015,501	3,015,501
<b>Net Book Values</b>			
31 March 2018	760,000	1,557,388	2,317,388
31 March 2017	760,000	1,654,977	2,414,977

The freehold land and buildings are the subject of long leases to Focus Birmingham and Queen Alexandra College.

When the Company was incorporated in 1985, the existing assets of the unincorporated Charity were taken over and freehold land and buildings and short leaseholds were subsequently professionally revalued.

As the assets comprise the prime properties for the main Charities which BRIB supports it is not considered necessary or appropriate to have the properties revalued at the current time.

If freehold land and buildings had not been revalued, they would be stated at the following amounts:

	2018	2017 £
Historical Cost	3,993,888	3,993,888
Depreciation based on historical cost	(2,304,861)	(2,215,671)
Historical net book value	1,689,027	1,778,217

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**9. INVESTMENTS**

**Listed Investments  
Unrestricted Fund**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance @ 1 April 2017	1,956,439	1,641,087
Less: Cash held as part of portfolio	(129,980)	(80,525)
Market Value @ 1 April 2017	1,826,459	1,560,562
Add: Purchases	387,482	480,101
Less: Sales	(227,439)	(467,495)
(Losses)/Gains on disposal or revaluation	(19,559)	253,291
Market Value @ 31 March 2018	1,966,943	1,826,459
Cash held as part of portfolio	45,264	129,980
Total Investments	2,012,207	1,956,439

At 31 March 2018 no investment has a value in excess of 5% of the total value of the portfolio (2017: one investment in Findlay Park Funds PLC American GBP had a value of £92,963).

The market value of investments at 31 March 2018 is represented by the following:

**Investments Listed on a Recognised Stock Exchange**

	<b>2018</b>			<b>2017</b>		
	<b>Within UK</b>	<b>Outside UK</b>	<b>Total</b>	<b>Within UK</b>	<b>Outside UK</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Interest	71,710	100,128	171,838	72,900	101,869	174,769
Index Linked	76,910	-	76,910	51,973	-	51,973
Alternative Assets	249,810	61,769	311,579	196,979	66,512	263,491
Equities	614,898	791,718	1,406,616	642,315	693,911	1,336,226
Total	1,013,328	953,615	1,966,943	964,167	862,292	1,826,459

**10. DEBTORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Associated Organisations	422	9,627
Accrued Income	10,164	10,004
Prepayments	182	287
	10,768	19,918

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**11. CREDITORS: Amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
		<b>£</b>
Associated Organisations	45,257	8,048
Accruals	8,244	8,157
	<u>53,501</u>	<u>16,205</u>

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Fund Balances at 31 March 2018 are represented by:			
Tangible Fixed Assets	2,296,366	21,022	2,317,388
Investments	2,012,206	-	2,012,206
Current Assets	143,547	-	143,547
Current Liabilities	(53,501)	-	(53,501)
	<u>4,398,618</u>	<u>21,022</u>	<u>4,419,640</u>

**13. RECONCILIATION OF MOVEMENT IN UNRESTRICTED FUNDS**

	<b>General Fund £</b>	<b>Designated Funds Note 14 £</b>	<b>2018</b>	<b>2017 Total £</b>
As at 1 April 2017	513,221	3,912,989	4,426,410	4,234,609
Movement in the Year	65,568	(93,160)	(27,592)	191,601
As at 31 March 2018	<u>578,789</u>	<u>3,819,829</u>	<u>4,398,618</u>	<u>4,426,210</u>

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**14. DESIGNATED FUNDS**

	<b>Fixed Asset Reserve £</b>	<b>Revaluation Reserve £</b>	<b>Investment Reserve £</b>	<b>Staff Indemnities £</b>	<b>Total £</b>
Balance at 1 April 2017	1,750,188	636,759	1,500,000	26,042	3,912,989
Movement in the year	(82,182)	(8,399)	-	(2,579)	(93,160)
Balance at 31 March 2018	<u>1,668,006</u>	<u>628,360</u>	<u>1,500,000</u>	<u>23,463</u>	<u>3,819,829</u>

The Fixed Asset Reserve represents together with the revaluation reserve, the net book value of fixed assets purchased from unrestricted funds.

The Revaluation Reserve arose from the revaluation of freehold land and buildings in 1985 and is shown separately as required by Company Law.

The Investment Reserve represents the minimum value of investments to be maintained by the Charity to provide future income, as established by the Governors in their reserves policy.

Staff Indemnities represent the potential liability that would fall to the Charity should any employee of Focus Birmingham and Queen Alexandra College, whose employment transferred from the Charity in 1997, suffer redundancy.

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**15. RESTRICTED FUNDS**

	<b>Property Development Fund £</b>
Balance at 1 April 2017	28,030
Movement in the year	(7,008)
Balance at 31 March 2018	<u>21,022</u>

The Property Development Fund represents grants and donations received in respect of the reception and access facilities at Queen Alexandra College less depreciation of the assets to date.

**16. CAPITAL COMMITMENTS**

There were no capital commitments contracted up to 31 March 2018 (2017: Nil).

**17. OTHER FINANCIAL COMMITMENTS**

There were no other financial commitments contracted up to 31 March 2018 (2017: £nil).

**18. CONNECTED ORGANISATIONS**

Principal connected organisations are as follows:

**Queen Alexandra College (QAC)**

This Charity was established in 1997 to take over the further education and training for work operations of BRIB on 31 December 1997. It has been granted a long lease by BRIB on part of its Harborne site and benefits from funding commitments made by BRIB. It has the right to appoint one third of the Governors of BRIB and no decisions can be made by BRIB Governors unless at least one QAC representative is present and votes in favour. During the year it paid rent of £625,670 (2017: £560,988) to the Charity and received grants of £639,025 (2017: £554,655). At 31 March 2018, BRIB owed QAC £43,842 (2017: QAC owed BRIB £1,579).

**THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 March 2018**

**18. CONNECTED ORGANISATIONS (continued)**

**Focus Birmingham**

This Charity was established in 1997 to take over, on 31<sup>st</sup> December 1997, the provision and promotion of services to blind or partially sighted people in the community, the operations previously being called BRIB Vision Services. It also has been granted a long lease by BRIB on part of its Harborne site and benefits from funding commitments made by BRIB. It has the same representation and voting rights on BRIB's board of Governors as Queen Alexandra College. During the year it paid rent of £168,690 (2017: £171,260) to the Charity and received grants of £166,105 (2017: £152,260). At 31 March 2018, BRIB owed Focus £1,415 (2017: £nil).

**New Outlook Housing Association Limited**

The housing society operates housing and care facilities for blind and partially sighted people, largely built on land owned by BRIB. During the year it was granted a long lease by BRIB on part of its Harborne site. During the year it paid rent of £20,000 (2017: £nil) to the Charity. New Outlook owed BRIB £422 at 31 March 2018 (2017: £nil).

**19. STATEMENT OF FINANCIAL ACTIVITY (2017)**

The Statement of Financial Activity for 2017 is analysed between Unrestricted and Restricted Funds as follows:

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2017 Total £</b>
<b>Income</b>			
Donations and Legacies	4,168	-	4,168
Charitable Activities			
Rent and Tenancy Registrations	732,248	-	732,248
Investment Income	47,814	-	47,814
<b>Total Income</b>	<b>784,230</b>		<b>784,230</b>
<b>Expenditure on:</b>			
Raising Funds	12,939		12,939
Charitable Activities	832,981	7,008	839,989
<b>Total Resources Expended</b>	<b>845,920</b>	<b>7,008</b>	<b>852,928</b>
<b>Net (losses)/Gains on Investment Assets</b>	<b>253,291</b>	<b>-</b>	<b>253,291</b>
<b>Net movement in funds</b>	<b>191,601</b>	<b>(7,008)</b>	<b>184,593</b>
<b>Balances @ 1<sup>st</sup> April 2016</b>	<b>4,234,609</b>	<b>35,038</b>	<b>4,269,647</b>
<b>Balances @ 31<sup>st</sup> March 2017</b>	<b>4,426,210</b>	<b>28,030</b>	<b>4,454,240</b>



THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2018

20. OPERATING LEASES

At 31 March 2018 the future minimum lease payments due under non-cancellable operating leases in BRIB's role as a lessor are as follows:

	2018 £	2017 £
<b>Expiry date:</b>		
Due within 1 year:		
Land and buildings	67,380	62,508
Between 2 and 5 years:		
Land and buildings	96,000	96,000
More than 5 years:		
Land and buildings	1,706,000	162,000

For the majority of BRIB's lease income, under the Transfer of Operations Agreement the Charity is committed to making a grant to QAC/ Focus equal to the rent receivable. The future minimum lease payments above are only for the element of the leases to QAC and Focus where the Charity is not committed to making a matching grant.

