

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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 2017

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THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

Officers and Advisers

Governors	Focus:	J. E. Cade G Prior (from 3.10.16) R Hindle (from 3.10.16) H. Lees (until 3.10.16)
	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 2017

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 2017.

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.

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 £784,230 (2016: £851,004), and the Governors are pleased to be able to report that £706,915 (2016: £782,743) has been distributed to its associated Charities. In particular this year specific grants have been made to Focus (£5,000) and QAC (£21,667). The Focus grant represented a contribution towards the Charity's buildings insurance costs (£5,000) while QAC has received the same plus the final one third of the £50,000 pledged in the year to 31 March 2016 in order to support two students on internships.

FINANCIAL REVIEW

i) RESULTS FOR THE YEAR

Income for this year was £784,230 compared to £851,004 in 2016. Legacies and Bequests accounted for £1,241 compared with £79,629 in 2016. 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 BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

GOVERNORS' REPORT 31 March 2017

FINANCIAL REVIEW (continued)

In furtherance of its objectives, the Charity made grants totalling £152,260 to Focus Birmingham (2016: £216,422) and £554,655 to Queen Alexandra College (2016: £566,321). The Charity did not make any grants to any other Charity during the year (2016: £nil).

The Charity's investment portfolio made a surplus of £253,291 on disposal and revaluation compared with a deficit of £80,880 in 2016.

The Statement of Financial Activities on page 14 shows outgoing resources of £852,928 which when combined with income and the increase in the Charity's investment portfolio leads to the total net increase in funds for the year of £184,593.

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 and 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 16.5% which compares with a rise of 13.8% in the benchmark. It should be noted that the FTSE All share index returned 16.3% 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 2017

FINANCIAL REVIEW (continued)

iv) RESERVES POLICY

The Reserves of the Charity consist of Unrestricted Funds, £4,426,210 (2016; £4,234,609) and Restricted Funds of £28,030 (2016; £35,038). 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 and partially sighted 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. This is also a designated reserve and not available for discretionary distribution. The balance on the General Fund of £513,221 (2016: £215,826) 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 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 2017

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 £560,988 to the Charity and received grants of £554,655.

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 £171,260 to the Charity and received grants of £152,260.

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.

REFERENCE AND ADMINISTRATIVE DETAILS

Details of the Charity's advisors, current Governors and statutory information are set out on page 3 of these Financial Statements; the following were Governors during the year and unless otherwise indicated, served for the full year.

Appointed by Focus Birmingham

Focus: J. E. Cade
G Prior (appointed 3.10.16)
R Hindle (appointed 3.10.16)
H. Lees (resigned 3.10.16)

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 2017

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 £1,137 in the year for £1,000,000 of Directors and Officers insurance cover.

FUTURE PLANS

The Charity has set a budget for 2017-18; activities will remain similar to previous years.

In the year it was agreed to surrender the Focus lease of Beech House and grant a lease to New Outlook for this building as a supplemental lease to that of Albert Weedall Centre. The rent will be payable by New Outlook from the start date (1st June 2017). The first rent review will be in 5 years to RPI followed by annual increases thereafter.

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 2017**

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

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

28 June 2017

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

We have audited the financial statements of The Birmingham Royal Institution for the Blind for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of Governors and Auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 10, the Governors (who are also the Trustees and directors for the purposes of Charity and 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 (APB's) Ethical Standards for Auditors. This report is made solely to the Charity'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 Charity'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 Charity and the Charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND (continued)**

Opinion 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 the Governors' Report.

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

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

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

**STATEMENT OF FINANCIAL ACTIVITIES
(Including the Income and Expenditure account)
FOR THE YEAR ENDED 31 March 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income					
Donations and Legacies	3	4,168		4,168	80,541
Charitable Activities					
Rent and Tenancy Registrations		732,248		732,248	732,913
Investment Income	4	47,814		47,814	37,550
Total Income		784,230	0	784,230	851,004
Expenditure on:					
Raising Funds	5	12,939		12,939	10,044
Charitable Activities	6	832,981	7,008	839,989	913,120
Total Resources Expended		845,920	7,008	852,928	923,164
Net Gains/ (losses) on Investment Assets		253,291	0	253,291	(80,880)
Net movement in funds		191,601	(7,008)	184,593	(153,040)
Balances @ 1 st April 2016		4,234,609	35,038	4,269,647	4,422,687
Balances @ 31 st March 2017		4,426,210	28,030	4,454,240	4,269,647

The income and expenditure for 2017 relates to unrestricted funds, except for depreciation of £7,008 charged to restricted funds.

	Unrestricted Funds	
Income and Expenditure, Net of Historical Costs	2017	2016
	£	£
Net Movement in Funds (above)	184,593	(153,040)
Add unrealised losses/(gains) on investments/	(238,632)	4,704
Difference between historical cost, depreciation charge and the actual depreciation charge of the year calculated on the revalued amount.	15,695	15,695
Historical Cost (deficit) for the year	(38,344)	(132,641)

The deficit for the year for Companies Act 2006 purposes is £54,039 (2016: £72,160).

All amounts relate to continuing operations.

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

BALANCE SHEET as of 31 March 2017

	Notes	2017		2016	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		2,414,977		2,527,779
Investments	9		1,956,439		1,641,087
Current Assets					
Debtors: Amounts falling due within one year	10	19,918		83,661	
Cash at Bank and In Hand		79,111		30,837	
		<u>99,029</u>		<u>114,498</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	11	<u>(16,205)</u>		<u>(13,717)</u>	
Net Current Assets			<u>82,824</u>		<u>100,781</u>
Total Net Assets			<u>4,454,240</u>		<u>4,269,647</u>
The Funds of the Charity:					
Unrestricted Funds					
General Fund	13		513,221		215,826
Revaluation Reserve	14		636,759		652,454
Designated Funds	14		3,276,230		3,366,329
			<u>4,426,210</u>		<u>4,234,609</u>
Restricted Funds:					
Other Funds	15		28,030		35,038
Total Funds			<u>4,454,240</u>		<u>4,269,647</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 9 to 20 were approved by the Governors, authorised for issue on 28 June 2017, and signed on their behalf by:

G. Oakley

D. J. Corney

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2017**

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net Cash (used in) provided by Operating Activities	1	62,521	(66,234)
Cash flows from investing activities:			
Dividend income		47,787	37,481
Interest received		27	69
Proceeds from sale of investments		467,495	1,314,257
Purchase of Investments		(480,101)	(1,398,603)
Change in cash and cash equivalents in the reporting period	2	<u>97,729</u>	<u>(113,030)</u>

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	184,593	(153,040)
Adjustments for:		
Depreciation charges	112,802	112,802
Losses/(gains) on investments	(253,291)	80,880
Bank Interest Receivable and Investment Income	(47,814)	(37,550)
	<u>(3,710)</u>	<u>3,092</u>
(Increase)/ Decrease in Debtors	63,743	(68,284)
Increase/ (Decrease) in Creditors and Deferred Income	2,488	(1,042)
Net Cash Inflow/(Outflow) from Operating Activities	<u>62,521</u>	<u>(66,234)</u>

2. Analysis of Change in Net Funds

	At 1 April 2016 £	Cash Flows £	At 31 March 2017 £
Cash in Hand	30,837	48,274	79,111
Held as part of investment portfolio	80,525	49,455	129,980
	<u>111,362</u>	<u>97,729</u>	<u>209,091</u>

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

Increase in Cash in the year	97,729
Net Funds at 1 April 2016	111,362
Net Funds at 31 March 2017	<u>209,091</u>

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 March 2017

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 2017

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 2017

(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

	2017	2016
	£	£
Legacies	1,241	79,629
Grants, Donations and Events	2,927	912
	4,168	80,541

4. INCOME FROM INVESTMENTS

	2017	2016
	£	£
Listed Fixed Asset Investments	47,787	37,481
Short Term Deposits	27	69
	47,814	37,550

5. COST OF RAISING FUNDS

	2017	2016
	£	£
Investment Management Fees	12,939	10,044

6. CHARITABLE ACTIVITIES

	2017	2016
	£	£
General Fund		
Grants to Queen Alexandra College	554,655	566,321
Grants to Focus Birmingham	152,260	216,422
Administration and Financial Services	20,272	17,575
	727,187	800,318
Designated Funds		
Depreciation of Fixed Assets	105,794	105,794
Restricted Funds		
Depreciation of Fixed Assets	7,008	7,008
Total	839,989	913,120

Administration and Financial Services costs include Governance costs of £6,600 (2016: £7,650). Audit fees amount to £6,600 (2016: £7,140).

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

7. GOVERNORS

No remuneration was paid to any Governor (2016: Nil). During the year no expenses were claimed by any Governor (2016: 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 £1,137 in the year for £1,000,000 of Directors & Officers insurance cover (2016: £1,113).

8. FIXED ASSETS

	Freehold Land £	Freehold Buildings £	Total £
Cost or Valuation			
1 April 2016	760,000	4,572,889	5,332,889
Disposals	-	-	-
31 March 2017	<u>760,000</u>	<u>4,572,889</u>	<u>5,332,889</u>
Depreciation			
1 April 2016		2,805,110	2,805,110
Provided in the Year		112,802	112,802
31 March 2017	-	<u>2,917,912</u>	<u>2,917,912</u>
Net Book Values			
31 March 2017	<u>760,000</u>	<u>1,654,977</u>	<u>2,414,977</u>
31 March 2016	<u>760,000</u>	<u>1,767,779</u>	<u>2,527,779</u>

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:

	2017 £	2016 £
Historical Cost	3,993,888	3,993,888
Depreciation based on historical cost	<u>(2,215,671)</u>	<u>(2,118,564)</u>
Historical net book value	<u>1,778,217</u>	<u>1,875,324</u>

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

9. INVESTMENTS

**Listed Investments
Unrestricted Fund**

	2017	2016
	£	£
Balance @ 1 April 2016	1,641,087	1,652,698
Less: Cash held as part of portfolio	(80,525)	(95,602)
Market Value @ 1 April 2016	1,560,562	1,557,096
Add: Purchases	480,101	1,398,603
Less: Sales	(467,495)	(1,314,257)
(Losses)/Gains on disposal or revaluation	253,291	(80,880)
Market Value @ 31 March 2017	1,826,459	1,560,562
Cash held as part of portfolio	129,980	80,525
Total Investments	1,956,439	1,641,087

At 31 March 2017 one investment (Findlay Park Funds PLC American GBP) has a value in excess of 5% of the total value of the portfolio with a value of £92,963; (2016: no investments)

The market value of investments at 31 March 2017 is represented by the following:

Investments Listed on a Recognised Stock Exchange

	2017			2016		
	Within UK	Outside UK	Total	Within UK	Outside UK	Total
	£	£	£	£	£	£
Fixed Interest	72,900	101,869	174,769	69,715	117,321	187,036
Index Linked	51,973	-	51,973	92,288	-	92,288
Alternative Assets	196,979	66,512	263,491	144,322	40,390	184,712
Equities	642,315	693,911	1,336,226	554,146	542,380	1,096,526
Total	964,167	862,292	1,826,459	860,471	700,091	1,560,562

10. DEBTORS: Amounts falling due within one year

	2017	2016
	£	£
Associated Organisations	9,627	665
Accrued Income	10,004	82,721
Prepayments	287	275
	19,918	83,661

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

11. CREDITORS: Amounts falling due within one year

	2016	2016
	£	£
Associated Organisations	8,048	7,467
Accruals	8,157	6,250
	<u>16,205</u>	<u>13,717</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fund Balances at 31 March 2017 are represented by:			
Tangible Fixed Assets	2,386,947	28,030	2,414,977
Investments	1,956,439	-	1,956,439
Current Assets	99,029	-	99,029
Current Liabilities	(16,205)	-	-16,205
	<u>4,426,210</u>	<u>28,030</u>	<u>4,454,240</u>

13. RECONCILIATION OF MOVEMENT IN UNRESTRICTED FUNDS

	General Fund	Designated Funds Note 14	2017 Total	2016 Total
	£	£	£	£
As at 1 April 2016	215,826	4,018,783	4,234,609	4,380,641
Movement in the Year	297,395	(105,794)	191,601	(146,032)
As at 31 March 2017	<u>513,221</u>	<u>3,912,989</u>	<u>4,426,210</u>	<u>4,234,609</u>

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

14. DESIGNATED FUNDS

	Fixed Asset Reserve £	Revaluation Reserve £	Investment Reserve £	Staff Indemnities £	Total £
Balance at 1 April 2016	1,840,287	652,454	1,500,000	26,042	4,018,783
Movement in the year	(90,099)	(15,695)	-	-	(105,794)
Balance at 31 March 2017	<u>1,750,188</u>	<u>636,759</u>	<u>1,500,000</u>	<u>26,042</u>	<u>3,912,989</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 2017

15. RESTRICTED FUNDS

	Property Development Fund
	£
Balance at 1 April 2016	35,038
Movement in the year	(7,008)
Balance at 31 March 2017	<u>28,030</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 2017 (2016: Nil).

17. OTHER FINANCIAL COMMITMENTS

There were no other financial commitments contracted up to 31 March 2017 (2016: £16,633).

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 £560,988 (2016: £560,988) to the Charity and received grants of £554,655 (2016: £566,321). At 31 March 2017, QAC owed BRIB £1,579 (2016: BRIB owed QAC £916).

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

18. CONNECTED ORGANISATIONS (continued)

Focus Birmingham

This Charity was established in 1997 to take over, on 31st 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 £171,260 (2016: £171,260) to the Charity and received grants of £152,260 (2016: £216,422). BRIB owed Focus £nil at 31 March 2017 (2016: BRIB owed Focus £6,550).

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. There were no transactions with New Outlook Housing Association Limited during the year.

19. STATEMENT OF FINANCIAL ACTIVITY (2016)

The Statement of Financial Activity for 2016 is analysed between Unrestricted and Restricted Funds as follows:

	Unrestricted Funds £	Restricted Funds £	2016 Total £
Income			
Donations and Legacies	80,541	-	80,541
Charitable Activities			
Rent and Tenancy Registrations	732,913	-	732,913
Investment Income	37,550	-	37,550
Total Income	851,004	-	851,004
Expenditure on:			
Raising Funds	10,044	-	10,044
Charitable Activities	906,112	7,008	913,120
Total Resources Expended	916,156	7,008	923,164
Net (losses)/Gains on Investment Assets	(80,880)	-	(80,880)
Net movement in funds	(146,032)	(7,008)	(153,040)
Balances @ 1 st April 2015	4,380,641	42,046	4,422,687
Balances @ 31 st March 2016	4,234,609	35,038	4,269,647

THE BIRMINGHAM ROYAL INSTITUTION FOR THE BLIND

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 March 2017

20. OPERATING LEASES

At 31 March 2017 the future minimum lease payments due under non-cancellable operating leases in BRIB's role as a lessor are as follows:

	2017 £	2016 £
Expiry date:		
Due within 1 year: Land and buildings	62,508	62,508
Between 2 and 5 years: Land and buildings	96,000	96,000
More than 5 years: Land and buildings	162,000	186,000

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.