

# MERTHYR TYDFIL INSTITUTE FOR THE BLIND

England & Wales · Charity number 1007270

## Details

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**Other names** MTIB

**Status** Registered

**Legal form** Charitable company

**Company number** [02659355](#)

**Registered** 1992-01-09

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** The Merthyr Tydfil Institute For The Blind  
Unit 4  
Triangle Business Park  
Pentrebach  
Merthyr Tydfil  
Mid Glam

**Phone** 01685370072

**Email** [info@mtib.co.uk](mailto:info@mtib.co.uk)

**Website** [www.mtib.co.uk](http://www.mtib.co.uk)

## Activities

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**Objects:** THE RELIEF OF PERSONS WHO ARE BLIND OR PARTIALLY SIGHTED OR WHO OTHERWISE SUFFER FROM DEFECTIVE VISION AND ARE RESIDENT IN THE COUNTY OF MID GLAMORGAN.

**Activities:** Provides training, development, support and employment opportunities for persons with disabilities, as well as those that are disadvantaged, economically inactive or unemployed.

## Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Disability, Economic/community Development/employment, Other Charitable Purposes
- **Who:** People With Disabilities, Other Defined Groups

## Geography

- **Area of benefit:** MID GLAMORGAN
- Throughout Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,361,115	£2,128,329	£3,458,715	44
2024-03-31	£2,233,451	£2,048,423	£3,227,018	46
2023-03-31	£2,041,959	£2,055,140	£2,970,050	59
2022-03-31	£1,817,675	£1,837,992	£2,984,074	62
2021-03-31	£1,629,124	£1,646,569	£3,002,621	66

## Trustees

Name	Role	Appointed
<b>GARETH WILLIAM MEREDITH</b>	Chair	
Alan Gunter		2016-07-28
Ian Robert Benbow		2026-04-30
Jonathan Ellis		2016-07-28
June Elizabeth Morgan		2022-03-30
Lisa Victoria Mytton		2014-01-31
<b>RALPH WYNFORD COOPER</b>		

**MERTHYR TYDFIL INSTITUTE FOR THE BLIND**

England & Wales - Charity number 1007270

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# Accounts

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COMPANY REGISTRATION NUMBER: 2659355  
CHARITY REGISTRATION NUMBER: 1007270



The Merthyr Tydfil Institute for the Blind  
Company Limited by Guarantee  
**Financial Statements**  
31 March 2025

**WALTER HUNTER & CO LIMITED**  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# The Merthyr Tydfil Institute for the Blind

Company Limited by Guarantee

## Financial Statements

Year ended 31 March 2025

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	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Independent auditor's report to the members	<b>13</b>
Statement of financial activities (including income and expenditure account)	<b>18</b>
Statement of financial position	<b>19</b>
Statement of cash flows	<b>20</b>
Notes to the financial statements	<b>21</b>

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**The Merthyr Tydfil Institute for the Blind**  
**Company Limited by Guarantee**  
**Trustees' Annual Report (Incorporating the Director's Report)**  
**Year ended 31 March 2025**

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2025.

**Reference and administrative details**

<b>Registered charity name</b>	The Merthyr Tydfil Institute for the Blind	
<b>Charity registration number</b>	1007270	
<b>Company registration number</b>	2659355	
<b>Principal office and registered office</b>	Unit 4 Triangle Business Park Pentrebach Merthyr Tydfil CF48 4TQ	
<b>The trustees</b>	Mr G Meredith Mr A Bush Mr R Cooper Mrs L Mytton Mr A Gunter Mr J Ellis Mrs J Morgan	(Chairman) (Passed away 21/11/2024)  (Vice Chair)
<b>Company Secretary</b>	Mr R A Welfoot	
<b>Principle Officers/Key Management Personnel</b>	Mr R A Welfoot Mrs P Kennedy Mrs M Davies Mr A Phillips Mr E Silburn  Ms J Warwick Mr A Trythall	Chief Executive Officer & Company Secretary Deputy Chief Executive Officer Employment & Training Manager Manufacturing Manager Commercial Manager (passed away 01/09/2024) Operations Manager ICT Officer
<b>Auditor</b>	Walter Hunter & Co Limited Chartered accountants & statutory auditor 24 Bridge Street Newport South Wales NP20 4SF	
<b>Bankers</b>	Lloyds Bank PLC 69 High Street Merthyr Tydfil CF47 8AD	
<b>Solicitors</b>	Hugh James 2 Central Square Cardiff CF10 1FS	Carbon Law Partners Creative Quarter Morgan Arcade Cardiff CF10 1AF

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### **Structure, governance and management**

##### **Status**

The organisation is a charitable company limited by guarantee, incorporated on 31st October 1991 and registered as a charity in June 1923.

The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected annually at the AGM.

##### **Governance of the Charity**

Matters of Finance, Business Development and Business Operations are reported at regular full board meetings. Day to day management is the responsibility of the Chief Executive Officer, who reports directly to the Trustees and is in regular contact with the Chairman to discuss any issues that arise, where it may require a Board meeting to be convened.

##### **Recruitment and appointment of Trustees**

Periodically the board will decide whether new Trustees need to be recruited to bring knowledge and experience within specific areas required by the business. Nominations are invited from existing Trustees, which are discussed by the board in order to review the respective nominee's credentials. Successful candidates, approved by the board, are then formally invited to become a trustee. Following acceptance, the new trustee receives an induction regarding all aspects of the organisation by the executive management and meets key employees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### Objectives and activities

##### Purpose of The Merthyr Tydfil Institute for the Blind

The Merthyr Tydfil Institute for the Blind (MTIB) is a registered charity providing cost effective training, development and employment opportunities for persons with disabilities and those who are disadvantaged, economically inactive or unemployed. The Charity achieves this through a delicate balancing of the commercial demands on the organisation with the social ethos of providing employment and training opportunities for its clients.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

MTIB's aim is to provide people who have disabilities, or are disadvantaged, economically inactive or unemployed, the opportunity for sustained employment.

The main areas of charitable activity are the operation of a Supported Business, via a wood working manufacturing unit at Pentrebach, Merthyr Tydfil, servicing the UK furniture industry that directly employs disabled and disadvantaged persons, along with an Employment and Training Department, which delivers programmes that support the employment of persons with disabilities and health conditions, along with those that are disadvantaged, economically inactive or unemployed within mainstream employment throughout South Wales.

The Manufacturing Unit provided sustained direct employment for 31, FTE 24 (2024, 32, FTE 24) disabled persons within a commercial manufacturing environment with 2, FTE 1 (2024, 7, FTE 2) hosted to local employers. Employees are encouraged to engage in training activities to expand and develop their skills to benefit themselves and the organisation. In addition, the manufacturing unit is used to offer work trials and work placement opportunities to clients seeking to gain experience within a work environment, which include those with learning disabilities who access the local council's Day Care Services, as well as students at local schools and colleges.

Administration of the Employment and Training Department also operates from the Pentrebach site and directly employed an average of 11, FTE 8 (2024 11, FTE 8) disabled persons during the year. The Department matches disabled and disadvantaged clients seeking to gain or retain employment with mainstream 'Host' employers and provides a wide range of supported work opportunities that meet the differing needs of people with disabilities, whilst reflecting the demands of the local labour market. MTIB offers a range of support to both employers and employees including practical help, such as, a job trainer, job coach, mentoring from colleagues as well as advice and awareness help to the employer and employees, along with financial support to the employer. All support activities are focused with the goal of creating and sustaining the employment of the disabled client.

The main programmes delivered during the year include the Restart contract and the UKSPF Programme project. Supported Business grant continues to be funded via Access to Work under the Transitional Employer Support Grant (TESG). This funding model was extended to 30th September 2024. Following external assessment, from 1st October 2024, those employees eligible for Access to Work Plus (AtW+) have transferred to that funding model, with the rest remaining on the existing TESG model. During the year our Supported Business directly supported an average of 36 individuals, of which 8 remained on TESG funding and 28 transferred to that of AtW+.

Our subcontract with Serco to deliver the DWP Restart programme, supporting disadvantaged persons back into employment, continues to be challenging due to the change in the quality of referrals and the onerous compliance regime. However, the Team has performed well to meet the contract compliance

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2025

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and performance targets, regularly being in the top quartile of the supply chain. Since being awarded an increase in contract delivery of the Restart extension for 2 years from 1st July 2024, MTIB has since been informed that a further 12-month extension from 1st July 2026 will be negotiated. Additionally, our UKSPF Project, supporting those further from employment within the Merthyr area has performed very well and there are indications that a further extension will be announced in early 2026.

During the year, 347 disabled and disadvantaged people were supported by MTIB via its Manufacturing unit and training and employment contracts, achieving and sustaining a total of 146 jobs.

During the year, our Restart contract supported 252 customers gaining 84 jobs, with our UKSPF project supporting 53 individuals in the period, of which, 20 entered employment.

MTIB's clients are provided with the opportunity to participate within our programmes at their chosen level. MTIB's provision facilitates a progressive process, from entry via a directly employed supportive manufacturing environment, through assessment, training and development in specific skill areas, through to the opportunity for placement with a 'Host' employer. Eventually, by tapering support, those who are able, can be fully integrated into mainstream employment. An important feature of MTIB's delivery is that individuals can enter the programme at any stage, to suit their own particular needs and abilities and reap the attendant benefits associated with gaining, retaining and sustaining employment.

There is no charge for our services to the client or 'Host' employer. Eligibility for our services is restricted to persons with disabilities and those disadvantaged, economically inactive and unemployed persons as defined by the individual programmes we deliver. Demand for our services continues to be high especially as the gap between the employment of disabled persons compared to non-disabled remains stubbornly high. MTIB's consistent proactive approach over the years of successfully over delivering on its contracts, has to date facilitated our ability to support each eligible client that has been referred to us. MTIB also continues to expand and develop the services that it is able to provide in line with the varying needs of our clients. However, where client's requirements would be better served through another provider, we refer the client to them where appropriate.

We ensure our activities deliver our aims by reviewing our aims, objectives and activities each year via our business planning process. This review looks at what we achieved and the outcome of our work in the previous 12 months. The review looks at the success of each key activity and the benefits brought to those groups of people we are set up to help. This helps us to ensure our aims, objectives and activities remained focused on our stated purposes.

The training, development and support we provide to create and sustain employment opportunities for our clients is always focused on the individual to ensure that the client's health condition is not adversely affected by their employment and is monitored on a regular basis. In addition, any changes in financial circumstances affected by employment are considered with the necessary agencies, so that clients can make an informed decision.

All members of the Board give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 14 to the accounts.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### Achievements and performance

MTIB has continued to successfully meet the increased demand from its commercial customers and clients of its employment programmes. MTIB has adopted more flexible working practices with relevant staff where appropriate, which importantly has ensured continuity of delivery of our employment and training contracts.

Furthermore, MTIB's continued membership of the Supported Business Steering Group (SBSG) with DWP has provided our ability to lobby DWP and ensure we are instrumental in securing an extension of TSEG funding to 30th September 2024 and transition to AtW+ funding model.

Having been rewarded for our performance of the Restart subcontract for Serco, with an over 2.5 fold increase in delivery of referrals for 2 year from 1st July 2024, MTIB, successfully navigated TUPE and the delivery of the increased contract volume.

MTIB's focus on securing the existing income from its contracts, whilst securing new ones, coupled with ability to increase manufacturing capability as customer demand increased, has helped us to maintain and develop our products and services. However, there still remains more work to be done each year, especially as following Brexit, there is still uncertainty as its successor funding programme UKSPF as the government decides on its priorities.

However, the fact that MTIB can secure and deliver these contracts continues to justify the Board's decision to invest in our staff resources, whilst replacement contracts are secured in order to demonstrate our ability to successfully deliver. Our aim has been achieved in the short term, by successfully delivering our UKSPF project with Merthyr Tydfil CBC, supporting disabled and disadvantaged people into work, along with the increased Restart contract extension. Consequently, we have already had notification from Serco of a further 12-month Restart extension and similarly that of UKSPF, so will continue to perpetuate this course of action with the goal of generating further income wherever possible.

The forecast budget for the year was a surplus of £618, due mainly to the increased wage costs related to the increase in the National Minimum Wage, energy costs, the limited employment and training contract opportunities following Brexit, along with the uncertain sales demand from our commercial activities in a climate of increasing costs.

Through our focus on maximising income from our employment and training contracts as well as generating sales opportunities within the manufacturing unit, whilst controlling costs, we achieved an unrestricted surplus of £249,941 as per the statement of financial activities shown at page 18, (£227,436, 2024). This was another outstanding result, even improving on last year's unprecedented result, which demonstrated the success of our efforts.

The manufacturing management team has continued to focus on a targeted marketing strategy to generate sales opportunities and secure material supply at lower prices, whilst improving production effectiveness and efficiency where possible. Management's opportunistic venture into the provision of office furniture in 2023, secured opportunities with RCTCBC and Carmarthenshire CC to deliver their office furniture solutions, which due to our successful performance and delivery, has persisted to date. Additionally, in June 2025 MTIB has secured a place on Lot 3 of the Welsh Government's Office and Educational Furniture framework, which as a result secured MTIB Mid and West Wales Fire and Rescue Service as a customer from November 2025. Furthermore, MTIB's supply of Welsh Forestry Signs contract is being extended from 01/04/2026 as well as securing the picking and packing subcontract of the Welsh Government's Baby Bundle initiative from January 2026.

Consequently, sales income from the manufacturing business increased to £1,232,542, (£1,103,910,

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2025

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2023/24), representing a 11.7% increase on the previous year's good performance, resulting in a 23.7% increase in added value. The encouraging sales were mainly due to a continued increased demand from existing and new customers for existing products, along with the office furniture and signage business secured highlighted above.

The Employment and Training Department continued to perform well during the year on the Restart contract, whilst successfully delivering our UKSPF project secured with Merthyr Tydfil CBC. The remaining income was generated from Disability Confident. Consequently, overall financial performance achieved within the department was very encouraging, realising a surplus of around £179k.

Within the manufacturing unit, we continue to focus on improvements to ensure its continued long-term viability. The aim remains for it to achieve a break-even position and then generate a surplus, so as to become less reliant on funding, which is ever reducing. Additionally, the Employment and Training department needs to continue to successfully secure and deliver contracts to maintain its contribution to the organisation, especially where contract opportunities are less prevalent. The Board and Management Team continue to review performance and activities, whilst seeking replacement funding from various other sources so that financial stability can be fully realised. Adopting this approach, MTIB secured an extension of the Restart subcontract with Serco from 1st July 2024 with an increased contract percentage and have been notified of a further extension, whilst awaiting a further information from Merthyr Tydfil CBC on UK Shared Prosperity Fund (UKSPF) project funding for 2025/26.

The charity's main objectives for the year were to build on the progress of the financial performance of the manufacturing unit and to successfully deliver its Employment and Training contracts, by aiming to maximise related outputs and financial return from all projects. Additionally, to further develop and expand MTIB's training resources and facilities seeking to secure and deliver further replacement employment and training contract income. This has been achieved through our successful delivery of the Restart and UKSPF projects, where we have, since the year end, been advised of imminent Restart contract extension negotiations and await the UKSPF extension.

During the year, we have continued to deliver quality services to our disabled and disadvantaged customers incorporating online activities and have secured continued funding income. The ability of our staff to successfully adapt and be flexible in delivering the various contracts secured, has resulted in a performance that has facilitated our survival throughout this most challenging of years, whilst developing future opportunities.

Our objectives focus on the need to develop and expand our training resources and facilities to secure and deliver employment related training. MTIB has met its objective to successfully deliver its employment and training contracts by maximising the outputs and related income from all contracts. Our successful performance is supported by our continued Investors in People and Matrix accreditations.

We have also met our objective to improve the effectiveness and efficiency of the Supported Business manufacturing unit, increasing sales and added value, whilst increasing the training and employment opportunities for our disabled and disadvantaged workforce. MTIB has also maintained its FSC accreditation following audit and notably secured office furniture opportunities with two local authorities and the fire service, along with signage and fulfilment business with Welsh Government.

Matters regarding Finance, Business Development and Business Operations are reported on at full board meetings. This has proved an effective way of conducting the business of the organisation, as all Trustees are updated on all progress and developments, whilst ensuring that meetings can take place should some be unable to attend. Additionally, the CEO provides regular updates to the board via email, whilst, there is also the flexibility to hold extra meetings in addition to the scheduled board meetings to

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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discuss and address any specific issues that arise either, in person, virtually or a hybrid of both.

#### **Board structure**

The board and executive management were very pleased with the results during the year, but are also acutely aware of the challenge to generate future contract income, since the end of EU funds following Brexit. Consequently, they will continue to utilise the business planning process to manage the organisation. In conjunction with the involvement of staff, they reviewed the strategic direction and agreed a Business Plan for 2025/26, agreeing to commit to maintain staff levels, by utilising reserves if required.

#### **Training, development and personnel**

The training and development of MTIB's disabled and disadvantaged clients is a key aspect of the organisation's employment and training delivery. The Board and Management are committed to strive for continual improvement of the quality of all of MTIB's services, whilst increasing the training, development and employment opportunities to disabled, disadvantaged, economically inactive and unemployed persons. The facilities and resources made available through the legacy of the Blueprint Project continues to help the realisation of this goal by providing enhanced work-based training, assessment and ICT training services, which, not only allow more clients the chance to take up employment opportunities, but also provide further opportunities to develop the organisation in the future.

The securing of extra contract income and new contracts during the year, all contribute to the delivery of employability training for those disabled, disadvantaged, economically inactive or unemployed clients seeking to improve their skills, gain qualifications and develop their employment opportunities.

Our focus on our Core Values, communication and the development support of our people, have all been major contributory factors to MTIB's ability to cope with the issues as they arise and to successfully adapt to meet the challenges they may present.

During the year, all staff continued to be regularly updated on the developments of the business. MTIB's Core Values and Management Behaviours have helped to reinforce a positive organisational culture towards change, where all employees have stated that they are prepared to adapt to meet future requirements in order to face the challenges ahead. As such, the Board and Management believe that the continual development of positive working relationships between all employees has resulted in a more effective business operation, which has again been evidenced by this year's performance.

#### **Supported Business Protected Places**

MTIB continued to effectively utilise its places on our Supported Business agreement, which was extended to 30th September 2024, under the DWP Access to Work TESSG scheme (Transitional Employer Support Grant), following which the transition to the new funding model has taken place from 1st October 2024.

This resulted in an average of 51 individuals (52, 2024) being directly employed by MTIB. In addition, a further 305 (305, 2024) persons with disabilities were supported by MTIB with the aim of achieving sustainable mainstream employment. Of those engaged in 2024/25, MTIB's support provided ongoing or new employment for 146 (2024, 144) individuals during the period.

MTIB's continued flexibility and proactive approach to the delivery of all its contracts has ensured that we have successfully maximised the outputs and related income to the end of contracts. Consequently, we have achieved high levels of contract quality and performance, which has built MTIB an excellent

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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track record that has allowed us to take advantage of future contract opportunities.

#### **Income**

MTIB's Restart and UKSPF projects, along with the Supported Business TESS and AtW+ grants via DWP's Access to Work programme, have been the main sources of income, where the objectives were to achieve their planned outputs in order to obtain the maximum funding. During the year, output related income has been maximised where possible and the Supported Business grants for those employees assessed and awarded the new AtW+ funding, have awards for 3 years to 30th September 2027. Although the Merthyr Tydfil CBC contract was not extended beyond 31st March 2024, extra funding was secured with increased contract delivery of the Restart contract. Furthermore, the 2 years from 1st April 2023 UKSPF project secured with Merthyr Tydfil CBC will be extended to 31st March 2026 and the increased Restart contract extension has been secured to July 2026, with a further extension being advised. However, all these contracts are relatively short term, so further funding streams will need to be secured as the new UK and Welsh Governments develop their employability programme plans.

We continue our efforts to reduce costs and increase sales within the Supported Business to secure MTIB's future viability. Securing place on the new WGCD Office and Educational Furniture framework has already presented opportunities where we are collaborating with other socially minded organisations to bid jointly on future contract opportunities.

Further potential opportunities are currently being explored with the DWP, MTCBC and Welsh Government programmes amongst others, but are less developed, due to the uncertainties of funders' priorities within the current economic climate.

We continue to cultivate and develop our relationships and services with local and National Government. In addition, as a member of the Supported Business Alliance, MTIB sits on the Supported Business Steering Group with the British Association of Supported Employment (BASE) working with DWP, which has secured transitional funding for Supported Businesses from April 2019 to September 2024 and the new AtW+ funding model from October 2024.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### Financial review

##### Results and principal activities

The profit and loss account for the period is set out on page 18, showing an unrestricted surplus of £249,941 and a restricted deficit of £18,244, with an overall surplus of £231,697 (£186,968, 2024). The principal activities of the company are the provision of supported employment, training and development for disabled persons and those who are disadvantaged, economically inactive or unemployed.

##### Review of business and future developments

Both the level of business and the year end financial position were satisfactory considering the challenging circumstances. The Trustees are satisfied that there are plans in place to secure opportunities of replacement contract income following the end of existing contracts and have committed to maintain the level of staff, whilst covering any shortfall using reserves, with regular reviews up to that date.

##### Principal Funders

MTIB's principal funders were our Restart contract with Serco and our UKSPF project with Merthyr Tydfil CBC, as well as AtW TESS and AtW+ funding. All other contracts are smaller in value and for shorter durations.

##### Reserves policy

MTIB aims to retain sufficient free reserves to ensure that commitments made to providing services to disabled persons can be made with confidence. The Trustees believe that the value of reserves needed equates to 12 months of the resources expended, excluding materials. The free reserves figure used is calculated as the total of unrestricted reserves less those related to fixed assets, which are compared to the forecast expenditure for the following year. At 31st March 2025 free reserves were £2,144,479 (2024: £1,974,641), which is 14 months of the forward resources expended, excluding materials.

The ongoing effects of Brexit, high energy costs, the significant increase in wage costs, the stubborn inflation level and cost of living, on the future economic climate, provide continued uncertainty of our ability to generate the required level of income from our Employment and Training contracts to cover the Supported Business, which although improved, still trades at a deficit. Consequently, our excess reserves will be utilised to cover periods where income does not cover expenditure, so that service to our disabled employees and customers can be maintained until replacement income or cost reductions are implemented.

##### Investment policy

The Trustees have wide investment powers and adopted a risk adverse policy to investments. The investments, shown in note 18 to the accounts, have been made in the Charities Official Investment Fund which provides income and the opportunity for capital growth on the investment

##### Risk review

Key risks within MTIB have been identified and a contingency plan is set out within the Business Plan each year. The Board and management team have set in place systems to mitigate these risks and continue to evaluate and monitor them.

One of the main risks to the business is to achieve the minimum performance levels of all its employment

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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and training contracts to ensure that there is no risk of losing them, even with those that have less financial impact due to their relatively lower value. However, the potential resultant undesirable loss in reputation is why MTIB prioritises efforts to ensure that contract quality and performance levels are met and strive to exceed them where possible. This is achieved by ensuring our staff are skilled, focussed, motivated and supported with the necessary resources to successfully deliver all our contracts.

Due to the ending of EU funding following Brexit, the UK Government developed the UK Shared Prosperity Fund (UKSPF) to be administered by local authorities throughout the UK, for the 2-year period to March 2025 and MTIB secured a contract with Merthyr Tydfil CBC for the period which has been extended to March 2026 with reduced funding. However, there is yet to be announced a framework for funding beyond March 2026. Although MTIB has secured UKSPF funding, currently it is relatively short lived, so as usual, we will keep up to date of potential opportunities as they arise. The economic climate and rise in unemployment will likely provide further opportunities either within our existing Restart subcontract or new programmes. Should replacement funding for the UKSPF not be realised, to help bridge the funding gap, MTIB will consider its options depending on the circumstances at the time.

As a result of the energy crisis and MTIB commitment to reduce its carbon footprint, we have invested in energy reducing measures to help reduce the impact, which have proved successful. Further, investment options to generate energy cost savings are being explored. Operating within a commercial environment there is a considerable risk of our manufacturing unit not being able to improve its financial performance from its current loss, especially with the future uncertainties surrounding the forecast economic climate for 2026. Consequently, senior management focus efforts on developing existing and new customers, along with identifying new opportunities. This is complimented by concerted efforts to control costs, whilst reviewing and implementing production efficiencies to ensure financial improvements are achieved.

Underpinning the potential negative financial effects of the risks highlighted above is our level of free reserves, which would allow the business time to assess the situation and implement a plan of recovery, in the best interests of our disabled workforce.

#### **Employment policy**

The company has an equal opportunity policy, which it adopts within its operating environment of Supported Employment.

#### **Pay policy for Key Management Personnel**

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team are considered to be those stated below within the Directors, Trustees, Members and Chief Officers section.

All trustees give their time freely and no trustee received remuneration in the year. Details of wage costs of key management personnel and trustees' expenses including related party transactions are disclosed in notes 13 and 14 respectively, to the accounts.

Senior management pay and staff pay is based on market rates and aligned to the National Minimum Wage. An inflationary rise is awarded upon the discretion of the Trustees following consideration of the aforementioned comparators and where funds are available. Increments and bonuses may be awarded; however, they are not automatic and are given at the discretion of the Chief Executive and the Board of Trustees.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### Political and charitable donations

The company has made no political or charitable donations.

#### CONCLUSION AND PLANS FOR THE FUTURE

Celebrating our 102nd year, MTIB has made excellent progress on even better performance achieved last year with continued potential business demand in an uncertain economic climate. We have secured continued income from the sponsors of our employment and training contracts and used our close relationships with our commercial customers to maintain and generate new business opportunities for the future.

New Supported Business commercial opportunities have been developed bringing the potential for new customers, new markets along with new skills to be learnt, which provides a good platform on which to build. MTIB's facilities and resources, coupled with the commitment and flexibility of our workforce, will give us the opportunity to fully realise the required recovery to drive the business forward.

The Board and Management believe that the development of the business planning process has continued to help us lead the business and has ensured that everyone is focussed on delivering the business objectives, which continue to be an important factor in our continuing success to date.

2024/25 has been another challenging year, where we have had to draw on the skills, resourcefulness, flexibility, adaptability and resilience of our staff to maintain the employment of our disabled workforce and continue to deliver the invaluable services to disabled and disadvantage persons within South Wales. This has been mainly due to the sustained strong commercial demand within the Supported Business, the Employment and Training Team successfully achieving delivery of contracts during the year and management securing commercial and contract opportunities. However, we must not be complacent as we need to build on production efficiencies and try to maintain the increased sales opportunities to generate our own income to become less reliant on ever decreasing funding. Additionally, the employment and training contracts are for relatively short durations, so will need to be replaced when completed. We will continue to adapt and develop our services, focusing our efforts to meet the requirements of any new contract opportunities. As a result, we can continue to demonstrate our excellent track record of delivery and performance to commissioners, ensuring that additional contracts are secured.

We are focused on delivering our existing contracts, whilst seeking to secure future contracts, as well as delivering further significant improvements in the financial performance of the manufacturing unit.

MTIB's involvement with DWP regarding the Supported Business Steering Group has had and will continue to have a major impact on MTIB. As such, we will continue our involvement and monitor developments closely, promoting MTIB's services to DWP, JCP, potential prime contractors, MPs and AMs, in order to influence and position ourselves in the best interests of our disabled employees, clients and organisation. However, the future develops, the Board are committed to make every effort to secure the future of the business and continue to develop our services of providing training and employment opportunities for persons with disabilities and health conditions and those who are disadvantaged, economically inactive and unemployed. Consequently, we look forward to meeting the challenges ahead during 2025/26 and beyond.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2025

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#### Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 09 December 2025 and signed on behalf of the board of trustees by:



R A Welfoot  
Charity Secretary

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind

Year ended 31 March 2025

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#### Opinion

We have audited the financial statements of The Merthyr Tydfil Institute for the Blind (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 charity's affairs as at 31 March 2025 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### 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 charity 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2025

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2025

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#### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- By enquiring with senior management and those charged with governance all area of risk identified were considered and any potential litigation or claim, if any, were noted
- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance
- By obtaining an understanding of the company's policies and procedures on compliance with laws and regulations, and with best accounting practice
- Noting issues discussed with Directors and the Senior Management Team where they relate to risks faced by the company
- Reviewing information received from the company's solicitors, if any, and discussing their contents with the Directors
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management overrides of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business

Through these procedures, we did not become aware of actual or suspected non-compliance.

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2025

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2025

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.



Jonathan Rhodes BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of  
Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2025

	Note	Unrestricted funds £	2025 Restricted funds £	Total funds £	2024 Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	172	–	172	5,670
Charitable activities	6	2,256,043	24,447	2,280,490	2,169,164
Investment income	7	80,453	–	80,453	58,617
<b>Total income</b>		<u>2,336,668</u>	<u>24,447</u>	<u>2,361,115</u>	<u>2,233,451</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	<u>2,127,329</u>	<u>1,000</u>	<u>2,128,329</u>	<u>2,048,423</u>
<b>Total expenditure</b>		<u>2,127,329</u>	<u>1,000</u>	<u>2,128,329</u>	<u>2,048,423</u>
Net (losses)/gains on investments	11	(1,089)	–	(1,089)	1,940
<b>Net income</b>		<u>208,250</u>	<u>23,447</u>	<u>231,697</u>	<u>186,968</u>
Transfers between funds		41,691	(41,691)	–	–
<b>Net movement in funds</b>		<u>249,941</u>	<u>(18,244)</u>	<u>231,697</u>	<u>186,968</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>2,387,109</u>	<u>839,909</u>	<u>3,227,018</u>	<u>3,040,050</u>
<b>Total funds carried forward</b>		<u>2,637,050</u>	<u>821,665</u>	<u>3,458,715</u>	<u>3,227,018</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 21 to 32 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

Company Limited by Guarantee

Statement of Financial Position

31 March 2025

	Note	2025 £	2024 £
<b>Fixed assets</b>			
Tangible fixed assets	15	1,208,749	1,251,377
<b>Current assets</b>			
Stocks	16	74,578	100,740
Debtors	17	334,572	355,322
Investments	18	1,839,953	1,268,364
Cash at bank and in hand		249,555	650,405
		<u>2,498,658</u>	<u>2,374,831</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>248,692</u>	<u>399,190</u>
<b>Net current assets</b>		<u>2,249,966</u>	<u>1,975,641</u>
<b>Total assets less current liabilities</b>		<u>3,458,715</u>	<u>3,227,018</u>
<b>Net assets</b>		<u>3,458,715</u>	<u>3,227,018</u>
<b>Funds of the charity</b>			
Restricted funds		821,665	839,909
Unrestricted funds		<u>2,637,050</u>	<u>2,387,109</u>
<b>Total charity funds</b>	21	<u>3,458,715</u>	<u>3,227,018</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 09 December 2025, and are signed on behalf of the board by:



Mr G Meredith  
Trustee



Mrs J Morgan  
Trustee

The notes on pages 21 to 32 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2025

	2025 £	2024 £
<b>Cash flows from operating activities</b>		
Net income	231,697	186,968
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	111,922	102,365
Net (losses)/gains on investments	1,089	(1,940)
Dividends, interest and rents from investments	(2,280)	(4,480)
Other interest receivable and similar income	(78,173)	(54,137)
Accrued income	(89,422)	(61,590)
<i>Changes in:</i>		
Stocks	26,162	24,746
Trade and other debtors	116,701	(72,939)
Trade and other creditors	(157,027)	154,777
Cash generated from operations	160,669	273,770
Interest received	78,173	54,137
Net cash from operating activities	<u>238,842</u>	<u>327,907</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	2,280	4,480
Purchase of tangible assets	(69,294)	(52,029)
Purchases of other investments	(571,589)	–
Proceeds from sale of other investments	(1,089)	57,619
Net cash (used in)/from investing activities	<u>(639,692)</u>	<u>10,070</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(400,850)</u>	<u>337,977</u>
<b>Cash and cash equivalents at beginning of year</b>	650,405	312,428
<b>Cash and cash equivalents at end of year</b>	<u>249,555</u>	<u>650,405</u>

The notes on pages 21 to 32 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2025

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#### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 4 Triangle Business Park, Pentrebach, Merthyr Tydfil, CF48 4TQ.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in sterling, which is the currency of the entity, rounded to the nearest pound.

##### Going concern

There are no material uncertainties about the charity's ability to continue.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

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#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

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#### 3. Accounting policies *(continued)*

##### Depreciation

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

Freehold property	-	2% p.a. Straight Line
Plant and machinery	-	20% p.a. Straight Line
Fixtures and fittings	-	20% p.a. Straight Line
Motor vehicles	-	20% p.a. Straight Line

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

#### 4. Limited by guarantee

The company is limited by guarantee and has no share capital. The liability of each member under guarantee is limited to £1.

Number of members as at 31 March 2025 is 7 (2024: 7).

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
<b>Donations</b>				
Donations	172	172	5,670	5,670

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
<b>Sales from Supported Business</b>	1,232,542	–	1,232,542
<b>Fundraising</b>	–	–	–
<b>Supported Business and Placement Scheme</b>			
Access to Work TESG Grant	195,428	–	195,428
Merthyr Tydfil CBC SLAs	–	–	–
RESTART contract	323,591	–	323,591
JOBSENSE contract	–	–	–
UKSPF Programme Income	465,110	–	465,110
Employment Support Programme Contract	6,375	–	6,375
<b>Other Grants</b>			
UKSPF Capital Grant	–	24,447	24,447
WCVA Energy Efficiency Scheme Grant	–	–	–
DWP Access to Work Income	32,997	–	32,997
	<u>2,256,043</u>	<u>24,447</u>	<u>2,280,490</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
<b>Sales from Supported Business</b>	1,103,910	–	1,103,910
<b>Fundraising</b>	4,930	–	4,930
<b>Supported Business and Placement Scheme</b>			
Access to Work TESG Grant	192,862	–	192,862
Merthyr Tydfil CBC SLAs	45,000	–	45,000
RESTART contract	240,043	–	240,043
JOBSENSE contract	222,617	–	222,617
UKSPF Programme Income	286,898	–	286,898
Employment Support Programme Contract	5,510	–	5,510
<b>Other Grants</b>			
UKSPF Capital Grant	–	–	–
WCVA Energy Efficiency Scheme Grant	–	1,000	1,000
DWP Access to Work Income	66,394	–	66,394
	<u>2,168,164</u>	<u>1,000</u>	<u>2,169,164</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

#### 7. Investment income

	Unrestricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Total Funds 2024 £
Rental income	2,280	2,280	4,480	4,480
Bank interest receivable	78,173	78,173	54,137	54,137
	<u>80,453</u>	<u>80,453</u>	<u>58,617</u>	<u>58,617</u>

#### 8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Supported Business	1,316,491	1,000	1,317,149
Employment & Training	487,582	–	487,582
Blueprint Project	32,371	–	32,371
Governance	7,198	–	7,198
Support costs	283,687	–	283,687
	<u>2,127,329</u>	<u>1,000</u>	<u>2,128,329</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Supported Business	1,317,272	–	1,317,272
Employment & Training	405,179	–	405,179
Blueprint Project	33,906	–	33,906
Governance	7,690	–	7,690
Support costs	284,376	–	284,376
	<u>2,048,423</u>	<u>–</u>	<u>2,048,423</u>

#### 9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2025 £	Total fund 2024 £
Supported Business	1,317,491	141,844	1,459,335	1,459,460
Employment & Training	487,582	141,843	629,425	547,367
Blueprint Project	32,371	–	32,371	33,906
Governance	7,198	–	7,198	7,690
	<u>1,844,642</u>	<u>283,687</u>	<u>2,128,329</u>	<u>2,048,423</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2025

#### 10. Analysis of support costs

	Supported Business £	Employment & Training £	<b>Total 2025</b> £	Total 2024 £
Staff costs	122,448	122,448	244,896	224,890
Premises	6,258	6,259	12,517	14,556
Administrative costs	14,037	14,036	28,073	38,730
Legal & Professional	(900)	(900)	(1,800)	6,200
	<u>141,843</u>	<u>141,843</u>	<u>283,686</u>	<u>284,376</u>

#### 11. Net (losses)/gains on investments

	Unrestricted Funds £	<b>Total Funds</b> <b>2025</b> £	Unrestricted Funds £	Total Funds 2024 £
Gains/(losses) on other investment assets	(1,089)	(1,089)	1,940	1,940

#### 12. Net income

Net income is stated after charging/(crediting):

	<b>2025</b> £	2024 £
Depreciation of tangible fixed assets	111,923	102,365
Auditors' remuneration	7,198	7,615

#### 13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	<b>2025</b> £	2024 £
Wages and salaries	1,173,411	1,070,733
Social security costs	93,828	88,115
Employer contributions to pension plans	60,076	37,930
	<u>1,327,315</u>	<u>1,196,778</u>

The average head count of employees during the year was 58 (2024: 57). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2025</b> No.	2024 No.
Manufacturing	23	25
Selling and Distribution	2	2
Management and Administration	6	6
Employment and Training	13	13
	<u>44</u>	<u>46</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2025

#### 13. Staff costs *(continued)*

The number of employees whose remuneration for the year fell within the following bands, were:

	2025 No.	2024 No.
£70,000 to £79,999	–	1
£80,000 to £89,999	1	–
	<u>1</u>	<u>1</u>

#### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £379,417 (2024: £351,269).

#### 14. Trustee remuneration and expenses

No fees, emoluments or expenses were paid to Trustees during the year (2024: £ Nil)

During the year the charity was not involved in any transactions with organisations associated with people who are directors of the charity.

#### 15. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2024	1,697,454	482,908	138,238	80,382	2,398,982
Additions	–	55,253	3,275	10,766	69,294
Disposals	–	(30,243)	–	–	(30,243)
<b>At 31 March 2025</b>	<u>1,697,454</u>	<u>507,918</u>	<u>141,513</u>	<u>91,148</u>	<u>2,438,033</u>
<b>Depreciation</b>					
At 1 April 2024	638,113	319,145	127,140	63,207	1,147,605
Charge for the year	33,949	63,978	3,819	10,176	111,922
Disposals	–	(30,243)	–	–	(30,243)
<b>At 31 March 2025</b>	<u>672,062</u>	<u>352,880</u>	<u>130,959</u>	<u>73,383</u>	<u>1,229,284</u>
<b>Carrying amount</b>					
<b>At 31 March 2025</b>	<u>1,025,392</u>	<u>155,038</u>	<u>10,554</u>	<u>17,765</u>	<u>1,208,749</u>
At 31 March 2024	<u>1,059,341</u>	<u>163,763</u>	<u>11,098</u>	<u>17,175</u>	<u>1,251,377</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

#### 16. Stocks

	2025	2024
	£	£
Raw materials and consumables	62,672	88,100
Work in progress	6,007	10,590
Finished goods and goods for resale	5,899	2,050
	<u>74,578</u>	<u>100,740</u>

#### 17. Debtors

	2025	2024
	£	£
Trade debtors	200,873	264,380
Prepayments and accrued income	133,699	90,942
	<u>334,572</u>	<u>355,322</u>

#### 18. Investments

	2025	2024
	£	£
Charities Official Investment Fund (COIF) see note (a) below	22,286	23,375
Fixed Rate Deposits	1,817,667	1,244,989
	<u>1,839,953</u>	<u>1,268,364</u>

(a) Relates to 1,144 units in COIF Charities Investment Fund Inc, originally purchased for £1 each.

#### 19. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	86,691	248,120
Accruals and deferred income	59,473	52,944
Social security and other taxes	91,619	88,303
Other creditors	10,909	9,823
	<u>248,692</u>	<u>399,190</u>

#### 20. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £21,972 (2024: £19,702).

##### Defined benefit plans

The company participates in a pension scheme operated by Rhondda Cynon Taff County Borough Council providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2025

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(notional) assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out below, information available on the funding of the scheme and the implications for the company in terms of the anticipated contribution rates.

The total pension cost of the company was £41,333 (2024: £38,227). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31st March 2022. The assumptions that have the most significant effect on the valuation are those relating to discount rate set on the expected return on the fund assets and the rates of increase in salaries and pensions. It was assumed that the discount rate for active members would be 1.3% - 4.3% per annum and 1.3% - 4.25% per annum for members who have left the service; salary increases would average 3.55% per annum and that present and future pensions would increase at the rate of 2.3% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £4,512.1 million and the actuarial value of the assets was sufficient to cover 105.1% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company will be 29.8% (2024: 29.8%) and for employees 9.9% and 6.8% for the two related employees (2024: 9.9% and 6.8%). Contributions amounting to £3,350 (2024: £3,116) were payable to the scheme at the year end and are included in creditors.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2025

#### 21. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2025 £
Capital and charitable reserve	480,457	962	–	–	(1,089)	480,330
Profit and loss account	1,812,588	2,335,706	(2,127,329)	30,268	–	2,051,233
Designated funds	94,064	–	–	11,423	–	105,487
	<u>2,387,109</u>	<u>2,336,668</u>	<u>(2,127,329)</u>	<u>41,691</u>	<u>(1,089)</u>	<u>2,637,050</u>

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2024 £
Capital and charitable reserve	469,801	11,363	(2,647)	–	1,940	480,457
Profit and loss account	1,619,872	2,221,088	(2,045,776)	17,404	–	1,812,588
Designated funds	70,000	–	–	24,064	–	94,064
	<u>2,159,673</u>	<u>2,232,451</u>	<u>(2,048,423)</u>	<u>41,468</u>	<u>1,940</u>	<u>2,387,109</u>

The capital and charitable reserve comprises:

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date.

127,411  
**480,330**

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2025

#### 21. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	At 31 March 2025 £
Other revenue grants	1,000	–	(1,000)	–	–
Other capital grants	27,855	24,447	–	(15,952)	36,350
Blueprint project	811,054	–	–	(25,739)	785,315
	<u>839,909</u>	<u>24,447</u>	<u>(1,000)</u>	<u>(41,691)</u>	<u>821,665</u>

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Other revenue grants	–	1,000	–	–	1,000
Other capital grants	43,584	–	–	(15,729)	27,855
Blueprint project	836,793	–	–	(25,739)	811,054
	<u>880,377</u>	<u>1,000</u>	<u>–</u>	<u>(41,468)</u>	<u>839,909</u>

Other capital grants represent grants received from funders that in order to help finance the acquisition of certain fixed assets. Each funding agreement will have its own conditions attached to the use of the funding in relation to the fixed asset.

The Blueprint project represents grants received from the Welsh European Funding Office and Merthyr Tydfil County Borough Council in relation to the organisation's European Objective 1 Blueprint project to expand its resources and services for the training, development and creation of employment opportunities for blind, partially sighted and disabled persons throughout South Wales.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2025

#### 22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £
Tangible fixed assets	387,084	821,665	1,208,749
Investments	1,839,953	–	1,839,953
Current assets	658,705	–	658,705
Creditors less than 1 year	(248,692)	–	(248,692)
<b>Net assets</b>	<u>2,637,050</u>	<u>821,665</u>	<u>3,458,715</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	412,468	838,909	1,251,377
Investments	1,268,364	–	1,268,364
Current assets	1,105,467	1,000	1,106,467
Creditors less than 1 year	(399,190)	–	(399,190)
<b>Net assets</b>	<u>2,387,109</u>	<u>839,909</u>	<u>3,227,018</u>

#### 23. Analysis of changes in net debt

	At 1 Apr 2024 £	Cash flows £	At 31 Mar 2025 £
Cash at bank and in hand	650,405	(400,850)	249,555
Current asset investments	1,268,364	571,589	1,839,953
	<u>1,918,769</u>	<u>170,739</u>	<u>2,089,508</u>

**MERTHYR TYDFIL INSTITUTE FOR THE BLIND**

England & Wales - Charity number 1007270

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# Accounts

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COMPANY REGISTRATION NUMBER: 2659355  
CHARITY REGISTRATION NUMBER: 1007270



**Since 1923**

**The Merthyr Tydfil Institute for the Blind  
Company Limited by Guarantee  
Financial Statements  
31 March 2024**

**WALTER HUNTER & CO LIMITED**  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# **The Merthyr Tydfil Institute for the Blind**

**Company Limited by Guarantee**

## **Financial Statements**

**Year ended 31 March 2024**

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	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Independent auditor's report to the members	<b>14</b>
Statement of financial activities (including income and expenditure account)	<b>19</b>
Statement of financial position	<b>20</b>
Statement of cash flows	<b>21</b>
Notes to the financial statements	<b>22</b>

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2024.

#### Reference and administrative details

<b>Registered charity name</b>	The Merthyr Tydfil Institute for the Blind	
<b>Charity registration number</b>	1007270	
<b>Company registration number</b>	2659355	
<b>Principal office and registered office</b>	Unit 4 Triangle Business Park Pentrebach Merthyr Tydfil CF48 4TQ	
<b>The trustees</b>	Mr G Meredith Mr A Bush Mr R Cooper Mrs L Mytton Mr A Gunter Mr J Ellis Mrs J Morgan	(Chairman) (Passed away 21/11/2024)
<b>Company secretary</b>	R A Welfoot	
<b>Principal Officers/Key Management Personnel</b>	Mr R A Welfoot Mrs P Kennedy Mrs M Davies Mr A Phillips Mr E Silburn Ms J Warwick Mr A Trythall	Chief Executive Officer & Company Secretary Deputy Chief Executive Officer Employment & Training Manager Manufacturing Manager Commercial Manager Operations Manager ICT Officer
<b>Auditor</b>	Walter Hunter & Co Limited Chartered accountants & statutory auditor 24 Bridge Street Newport South Wales NP20 4SF	
<b>Bankers</b>	Lloyds Bank PLC 69 High Street Merthyr Tydfil CF47 8AD	
<b>Solicitors</b>	Hugh James 2 Central Square Cardiff CF10 1FS	Carbon Law Partners Creative Quarter Morgan Arcade Cardiff CF10 1AF

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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#### **Structure, governance and management**

##### **Status**

The organisation is a charitable company limited by guarantee, incorporated on 31st October 1991 and registered as a charity in June 1923.

The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected annually at the AGM.

##### **Governance of the Charity**

Matters of Finance, Business Development and Business Operations are reported at regular full board meetings. Day to day management is the responsibility of the Chief Executive Officer, who reports directly to the Trustees and is in regular contact with the Chairman to discuss any issues that arise, where it may require a Board meeting to be convened.

##### **Recruitment and appointment of Trustees**

Periodically the board will decide whether new Trustees need to be recruited to bring knowledge and experience within specific areas required by the business. Nominations are invited from existing Trustees, which are discussed by the board in order to review the respective nominee's credentials. Successful candidates, approved by the board, are then formally invited to become a trustee. Following acceptance, the new trustee receives an induction regarding all aspects of the organisation by the executive management and meets key employees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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#### Objectives and activities

##### Purpose of The Merthyr Tydfil Institute for the Blind

The Merthyr Tydfil Institute for the Blind (MTIB) is a registered charity providing cost effective training, development and employment opportunities for persons with disabilities and those who are disadvantaged, economically inactive or unemployed. The Charity achieves this through a delicate balancing of the commercial demands on the organisation with the social ethos of providing employment and training opportunities for its clients.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

MTIB's aim is to provide people who have disabilities, or are disadvantaged, economically inactive or unemployed, the opportunity for sustained employment.

The main areas of charitable activity are the operation of a Supported Business, via a wood working manufacturing unit at Pentrebach, Merthyr Tydfil, servicing the UK furniture industry that directly employs disabled and disadvantaged persons, along with an Employment and Training Department, which delivers programmes that support the employment of persons with disabilities and health conditions, along with those that are disadvantaged, economically inactive or unemployed within mainstream employment throughout South Wales.

The Manufacturing Unit provided sustained direct employment for 32, FTE 25 (2023, 35, FTE 28) disabled persons within a commercial manufacturing environment with 7, FTE 2 (2023, 2, FTE 1) hosted to local employers. Employees are encouraged to engage in training activities to expand and develop their skills to benefit themselves and the organisation. In addition, the manufacturing unit is used to offer work trials and work placement opportunities to clients seeking to gain experience within a work environment, which include those with learning disabilities who access the local council's Day Care Services, as well as students at local schools and colleges.

Administration of the Employment and Training Department also operates from the Pentrebach site and directly employed an average of 11, FTE 8 (2023 12, FTE 8) disabled persons during the year. The Department matches disabled and disadvantaged clients seeking to gain or retain employment with mainstream 'Host' employers and provides a wide range of supported work opportunities that meet the differing needs of people with disabilities, whilst reflecting the demands of the local labour market. MTIB offers a range of support to both employers and employees including practical help, such as, a job trainer, job coach, mentoring from colleagues as well as advice and awareness help to the employer and employees, along with financial support to the employer. All support activities are focused with the goal of creating and sustaining the employment of the disabled client.

The main programmes delivered during the year include the Restart and Jobsense contracts, the UKSPF Programme project and our Local Authority SLA Reach Up project. Supported Business grant continues to be funded via Access to Work under the Transitional Employer Support Grant (TESG). This funding model was originally extended to 30th September 2024 and now to 31st March 2025, to allow the delayed transfer to the new AtW+ funding model.

Our subcontract with Serco to deliver the DWP Restart programme, supporting disadvantaged persons back into employment, continues to be challenging due to the change in the quality of referrals and the onerous compliance regime. However, the Team has performed well to meet the

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2024

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contract compliance and performance targets, regularly being in the top quartile of the supply chain. Consequently, MTIB were awarded an increase in contract delivery when Restart referrals were extended for 2 years from 1st July 2024. Additionally, our Jobsense project, supporting those with sight and/or hearing impairment in South and West Wales, being our final EU Funded project, delivered in a collaborative consortium with 3 other likeminded third sector providers of employment support to disabled and disadvantaged people, was successfully completed in September 2023. The MTIB Team performed very well during the period and was allocated, delivered and funded an extra 4% of the project.

We continue to provide much needed training, development and work placement opportunities to people with severe learning disabilities in the Merthyr Area and following a retender of the Reach Up contract with Merthyr Tydfil CBC, we successfully secured the contract until March 2024. Unfortunately, due to funding cuts Merthyr Tydfil CBC has not renewed the contract for 2024/25.

During the year, 354 disabled and disadvantaged people were supported by MTIB via its training and employment contracts, achieving and sustaining a total of 144 jobs.

During the year, our Restart contract supported 173 customers gaining 68 jobs, with our UKSPF project supporting 71 individuals in the period, of which, 19 entered employment. Jobsense engaged with 41 sensory impaired clients and successfully secured 2 jobs, which was very encouraging for this client group.

Our Reach Up project supported 20 individuals with learning disabilities, with 2 sustaining volunteer placements, along with 1 new job and 5 maintaining Supported Permitted Work in the period.

Since April 2019, MTIB's disabled and disadvantaged employees within the Supported Business have originally been funded by the replacement 3-year Transitional Employment Support Grant (TESG) via Access to Work (AtW). This funding has since been extended to, September 2024, with the latest extension to March 2025. During the year our Supported Business directly supported an average of 38 individuals on the TESG programme.

MTIB's clients are provided with the opportunity to participate within our programmes at their chosen level. MTIB's provision facilitates a progressive process, from entry via a directly employed supportive manufacturing environment, through assessment, training and development in specific skill areas, through to the opportunity for placement with a 'Host' employer. Eventually, by tapering support, those who are able, can be fully integrated into mainstream employment. An important feature of MTIB's delivery is that individuals can enter the programme at any stage, to suit their own particular needs and abilities and reap the attendant benefits associated with gaining, retaining and sustaining employment.

There is no charge for our services to the client or 'Host' employer. Eligibility for our services is restricted to persons with disabilities and those disadvantaged, economically inactive and unemployed persons as defined by the individual programmes we deliver. Demand for our services continues to be high especially as the gap between the employment of disabled persons compared to non-disabled remains stubbornly high. MTIB's consistent proactive approach over the years of successfully over delivering on its contracts, has to date facilitated our ability to support each eligible client that has been referred to us. MTIB also continues to expand and develop the services that it is able to provide in line with the varying needs of our clients. However, where client's requirements would be better served through another provider, we refer the client to them where appropriate.

We ensure our activities deliver our aims by reviewing our aims, objectives and activities each year via our business planning process. This review looks at what we achieved and the outcome of our

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# **The Merthyr Tydfil Institute for the Blind**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2024**

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work in the previous 12 months. The review looks at the success of each key activity and the benefits brought to those groups of people we are set up to help. This helps us to ensure our aims, objectives and activities remained focused on our stated purposes.

The training, development and support we provide to create and sustain employment opportunities for our clients is always focused on the individual to ensure that the client's health condition is not adversely affected by their employment and is monitored on a regular basis. In addition, any changes in financial circumstances affected by employment are considered with the necessary agencies, so that clients can make an informed decision.

All members of the Board give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 15 to the accounts.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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#### Achievements and performance

MTIB has continued to successfully meet the increased demand from its commercial customers and clients of its employment programmes. Since the Covid-19 pandemic, MTIB adopted more flexible working from home practices with relevant staff where agreed, which importantly has ensured continuity of delivery of our employment and training contracts.

Furthermore, MTIB's continued membership of the Supported Business Steering Group (SBSG) with DWP provides our ability to lobby DWP and ensure we are instrumental in securing an extension of TESG funding to 30th September 2024 and further to 31st March 2025, to allow time for transition to the new funding model.

Having successfully delivered the Restart subcontract for Serco, when the extension was announced, we were rewarded with the offered an over 2.5 fold increase in delivery of referrals for 2 years from 1st July 2024.

MTIB's focus on securing the existing income from its contracts, whilst securing new ones, coupled with ability to increase manufacturing capability as customer demand increased, has helped us to maintain and develop our products and services. However, there still remains more work to be done each year, especially as following Brexit, there will be no more employment and training contracts from EU Funds, now that our final one, Jobsense, ended in September 2023.

However, the fact that MTIB is able to secure and deliver these contracts continues to justify the Board's decision to invest in our staff resources, whilst replacement contracts are secured in order to demonstrate our ability to successfully deliver. Our aim has been achieved in the short term, by securing a UK Shared Prosperity Fund project with Merthyr Tydfil CBC for 2 years from April 2023 supporting disabled and disadvantaged people into work, along with the increased Restart contract extension. Consequently, we will continue to perpetuate this course of action with the goal of generating further income wherever possible.

A forecast loss was budgeted for the year, due mainly to the increased wage costs related to the increase in the National Minimum Wage, energy costs, the limited employment and training contract opportunities following Brexit, along with the uncertain sales demand from our commercial activities in a climate of increasing costs.

Through our focus on maximising income from our employment and training contracts as well as generating sales opportunities within the manufacturing unit, whilst controlling costs, we achieved an unrestricted surplus of £227,436 as per the statement of financial activities shown at page 19, (£67,939, 2023). This was an outstanding, unprecedented result, which demonstrated the success of our efforts.

The manufacturing management team has continued to focus on a targeted marketing strategy to generate sales opportunities and secure material supply at lower prices, whilst improving production effectiveness and efficiency where possible. When an office furniture customer, with which MTIB was collaborating, ceased trading at the end of October 2023, management took the opportunity to quickly decide to employ one of their staff and offer our services to their failed customers. As a result, MTIB secured opportunities with RCTCBC and Carmarthenshire CC to deliver their office furniture solutions, which due to our successful performance and delivery, has persisted to date. Additionally, MTIB secured a contract for the design and manufacture of Welsh Forestry Signs on behalf of the Welsh Government.

Consequently, sales income from the manufacturing business increased to £1,103,910, (£983,611,

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2024

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2022/23), representing a 12.2% increase on the previous year's good performance, resulting in a 20.4% increase in added value. The encouraging sales were mainly due to a continued increased demand from existing and new customers for existing products, along with the office furniture and signage business secured highlighted above.

The Employment and Training Department continued to perform well during the year on the Restart contract, whilst completing our final EU Funded project, Jobsense, in September 2023, achieving excellent results. The remaining income was generated from our UKSPF project secured with Merthyr Tydfil CBC, Disability Confident assessments and the Adult services Merthyr Tydfil CBC contract. Consequently, overall financial performance achieved within the department was very encouraging, realising a surplus of around £226k.

Within the manufacturing unit, we continue to focus on improvements to ensure its continued long-term viability. The aim remains for it to achieve a break-even position and then generate a surplus, so as to become less reliant on funding, which is ever reducing. Additionally, the Employment and Training department needs to continue to successfully secure and deliver contracts to maintain its contribution to the organisation, especially where contract opportunities are less prevalent. The Board and Management Team continue to review performance and activities, whilst seeking replacement funding from various other sources so that financial stability can be fully realised. Adopting this approach, MTIB secured an extension of the Restart subcontract with Serco from 1st July 2024 with an increased contract percentage and are awaiting information from Merthyr Tydfil CBC on UK Shared Prosperity Fund (UKSPF) project funding for 2025/26.

The charity's main objectives for the year were to build on the progress of the financial performance of the manufacturing unit and to successfully deliver its Employment and Training contracts, by aiming to maximise related outputs and financial return from all projects. Additionally, to further develop and expand MTIB's training resources and facilities seeking to secure and deliver further replacement employment and training contract income. This has been achieved through our successful delivery of the Restart, Jobsense and UKSPF projects, where we have, since the year end, secured a Restart contract extension increase and await the UKSPF extension.

During the year, we have continued to deliver quality services to our disabled and disadvantaged customers incorporating online activities and have secured continued funding income. The ability of our staff to successfully adapt and be flexible in delivering the various contracts secured, has resulted in a performance that has facilitated our survival throughout this most challenging of years, whilst developing future opportunities.

Our objectives focus on the need to develop and expand our training resources and facilities to secure and deliver employment related training. MTIB has met its objective to successfully deliver its employment and training contracts by maximising the outputs and related income from all contracts. Our successful performance is supported by our continued Investors in People and Matrix accreditations.

We have also met our objective to improve the effectiveness and efficiency of the Supported Business manufacturing unit, increasing sales and added value beyond that of pre Covid-19 levels and increase the training and employment opportunities for our disabled and disadvantaged workforce. MTIB has also maintained its FSC accreditation following audit and notably secured office furniture opportunities with two local authorities and signage business with Welsh Government.

Matters regarding Finance, Business Development and Business Operations are reported on at full board meetings. This has proved an effective way of conducting the business of the organisation, as

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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all Trustees are updated on all progress and developments, whilst ensuring that meetings can take place should some be unable to attend. Additionally, the CEO provides regular updates to the board via email, whilst, there is also the flexibility to hold extra meetings in addition to the scheduled board meetings to discuss and address any specific issues that arise either, in person, virtually or a hybrid of both.

#### **Board structure**

The board and executive management were very pleased with the results during the year, but are also acutely aware of the challenge to generate future contract income, since the end of EU funds following Brexit. Consequently, they will continue to utilise the business planning process to manage the organisation. In conjunction with the involvement of all staff, they reviewed the strategic direction and agreed a Business Plan for 2024/25, agreeing to commit to maintain staff levels, by utilising reserves if required.

#### **Training, development and personnel**

The training and development of MTIB's disabled and disadvantaged clients is a key aspect of the organisation's employment and training delivery. The Board and Management are committed to strive for continual improvement of the quality of all of MTIB's services, whilst increasing the training, development and employment opportunities to disabled, disadvantaged, economically inactive and unemployed persons. The facilities and resources made available through the legacy of the Blueprint Project continues to help the realisation of this goal by providing enhanced work-based training, assessment and ICT training services, which, not only allow more clients the chance to take up employment opportunities, but also provide further opportunities to develop the organisation in the future.

The securing of extra contract income and new contracts during the year, all contribute to the delivery of employability training for those disabled, disadvantaged, economically inactive or unemployed clients seeking to improve their skills, gain qualifications and develop their employment opportunities.

Our focus on our Core Values, communication and the development support of our people, have all been major contributory factors to MTIB's ability to cope with the issues as they arise and to successfully adapt to meet the challenges they may present.

During the year, all staff continued to be regularly updated on the developments of the business. MTIB's Core Values and Management Behaviours have helped to reinforce a positive organisational culture towards change, where all employees have stated that they are prepared to adapt to meet future requirements in order to face the challenges ahead. As such, the Board and Management believe that the continual development of positive working relationships between all employees has resulted in a more effective business operation, which has again been evidenced by this year's performance.

#### **Supported Business Protected Places**

MTIB continued to effectively utilise its places on our Supported Business agreement, which was extended to 30th September 2024 and more recently to 31st March 2025, under the DWP Access to Work TSEG scheme (Transitional Employer Support Grant), during which transition to the new funding model will take place.

This resulted in an average of 52 individuals (55, 2023) being directly employed by MTIB. In addition, a further 305 (236, 2023) persons with disabilities were supported by MTIB with the aim of achieving

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2024

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sustainable mainstream employment. Of those engaged in 2023/24, MTIB's support provided ongoing or new employment for 144 (2023, 162) individuals during the period.

MTIB's continued flexibility and proactive approach to the delivery of all its contracts has ensured that we have successfully maximised the outputs and related income to the end of contracts (Jobsense). Consequently, we have achieved high levels of contract quality and performance, which has built MTIB an excellent track record that has allowed us to take advantage of future contract opportunities.

#### **Income**

MTIB's Restart, Jobsense and UKSPF projects, along with the Supported Business TESS grant via DWP's Access to Work programme, have been the main sources of income, where the objectives were to achieve their planned outputs in order to obtain the maximum funding. During the year, output related income has been maximised where possible and the Supported Business contract has been extended to 31st March 2025. Although the Merthyr Tydfil CBC contract was not extended beyond 31st March 2024, extra funding was secured from our final EU Funded project Jobsense, along with increased contract delivery of the Restart contract. Furthermore, the 2 year from 1st April 2023 UKSPF project secured with Merthyr Tydfil CBC will be extended to 31st March 2026 and the increased Restart contract extension has been secured to July 2027. However, all these contracts are relatively short term, so further funding streams will need to be secured as the new UK and Welsh Governments develop their employability programme plans.

We continue our efforts to reduce costs and increase sales within the Supported Business to secure MTIB's future viability. Our place on the NPS Office and Educational Furniture framework has already presented opportunities where we are collaborating with other socially minded organisations to bid jointly on future contract opportunities.

Further potential opportunities are currently being explored with the DWP, MTCBC and Welsh Government programmes amongst others, but are less developed, due to the uncertainties of funders' priorities within the current economic climate.

We continue to cultivate and develop our relationships and services with local and National Government. In addition, as a member of the Supported Business Alliance, MTIB sits on the Supported Business Steering Group with the British Association of Supported Employment (BASE) working with DWP, which has secured transitional funding for Supported Businesses from April 2019 to March 2025 and are awaiting confirmation of the replacement funding model beyond that date.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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#### Financial review

##### Results and principal activities

The profit and loss account for the period is set out on page 19 showing an unrestricted surplus of £227,436 and a restricted deficit of £40,468, with an overall surplus of £186,968 (£25,976, 2023). The principal activities of the company are the provision of supported employment, training and development for disabled persons and those who are disadvantaged, economically inactive or unemployed.

##### Review of business and future developments

Both the level of business and the year end financial position were satisfactory considering the challenging circumstances. The Trustees are satisfied that there are plans in place to secure opportunities of replacement contract income following the end of existing contracts and have committed to maintain the level of staff, whilst covering any shortfall using reserves, with regular reviews up to that date.

##### Principal Funders

MTIB's principal funders were WEFO via our remaining EU funded Jobsense project, our Restart contract and our UKSPF project with Merthyr Tydfil CBC, as well as AtW TEGS Funding. All other contracts are smaller in value and for shorter durations of between 12 to 18 months.

##### Reserves policy

MTIB aims to retain sufficient free reserves to ensure that commitments made to providing services to disabled persons can be made with confidence. The Trustees believe that the value of reserves needed equates to 12 months of the resources expended, excluding materials. The free reserves figure used is calculated as the total of unrestricted reserves less those related to fixed assets, which are compared to the forecast expenditure for the following year. At 31st March 2024 free reserves were £1,974,641 (2023: £1,738,337), which is 14 months of the forward resources expended, excluding materials. The ongoing effects of Brexit, the Energy Crisis and the attendant increase in inflation and cost of living on the future economic climate, provide continued uncertainty of our ability to generate the required level of income from our Employment and Training contracts to cover the Supported Business, which although improved, still trades at a deficit. Consequently, our excess reserves will be utilised to cover periods where income does not cover expenditure, so that service to our disabled employees and customers can be maintained until replacement income or cost reductions are implemented.

##### Investment policy

The Trustees have wide investment powers and adopted a risk adverse policy to investments. The investments, shown in note 19 to the accounts, have been made in the Charities Official Investment Fund which provides income and the opportunity for capital growth on the investment

##### Risk review

Key risks within MTIB have been identified and a contingency plan is set out within the Business Plan each year. The Board and management team have set in place systems to mitigate these risks and continue to evaluate and monitor them.

One of the main risks to the business is to achieve the minimum performance levels of all its

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 March 2024

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employment and training contracts to ensure that there is no risk of losing them, even with those that have less financial impact due to their relatively lower value. However, the potential resultant undesirable loss in reputation is why MTIB prioritises efforts to ensure that contract quality and performance levels are met and strive to exceed them where possible. This is achieved by ensuring our staff are skilled, focussed, motivated and supported with the necessary resources to successfully deliver all our contracts.

Due to the ending of EU funding following Brexit, MTIB's final EU funded Jobsense project ended in September 2023 and our Merthyr Tydfil CBC Adult services contract ended March 2024. The UK Government developed the UK Shared Prosperity Fund (UKSPF) to be administered by local authorities throughout the UK, for the 2-year period to March 2025 and MTIB secured a contract with Merthyr Tydfil CBC for the period which has been extended to March 2026 with reduced funding. However, there is yet to be announced a framework for funding beyond March 2026. Although MTIB has secured UKSPF funding, currently it is relatively short lived, so as usual, we will keep up to date of potential opportunities as they arise. The economic climate and rise in unemployment will likely provide further opportunities either within our existing Restart subcontract or new programmes. Should replacement funding for the UKSPF not be realised, to help bridge the funding gap, MTIB will consider its options depending on the circumstances at the time.

As a result of the energy crisis, MTIB's forecast for gas and electricity was set to rise from £45k to £113k pa from April 2023, so we have invested in energy reducing measures to help reduce the impact, which have proved successful. Further, investment options to generate energy cost savings are being explored. Operating within a commercial environment there is a considerable risk of our manufacturing unit not being able to improve its financial performance from its current loss, especially with the future uncertainties surrounding the forecast economic climate for 2025. Consequently, senior management focus efforts on developing existing and new customers, along with identifying new opportunities. This is complimented by concerted efforts to control costs, whilst reviewing and implementing production efficiencies to ensure financial improvements are achieved.

Underpinning the potential negative financial effects of the risks highlighted above is our level of free reserves, which would allow the business time to assess the situation and implement a plan of recovery, in the best interests of our disabled workforce.

#### **Employment policy**

The company has an equal opportunity policy, which it adopts within its operating environment of Supported Employment.

#### **Pay policy for Key Management Personnel**

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team are considered to be those stated below within the Directors, Trustees, Members and Chief Officers section.

All trustees give their time freely and no trustee received remuneration in the year. Details of wage costs of key management personnel and trustees' expenses including related party transactions are disclosed in notes 14 and 15 respectively, to the accounts.

Senior management pay and staff pay is based on market rates and aligned to the National Minimum Wage. An inflationary rise is awarded upon the discretion of the Trustees following consideration of the aforementioned comparators and where funds are available. Increments and bonuses may be

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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awarded; however, they are not automatic and are given at the discretion of the Chief Executive and the Board of Trustees.

#### **Political and charitable donations**

The company has made no political or charitable donations.

#### **CONCLUSION AND PLANS FOR THE FUTURE**

Celebrating our 100th year anniversary, MTIB has made excellent progress on the encouraging performance achieved last year with continued promising business demand. We have secured continued income from the sponsors of our employment and training contracts and used our close relationships with our commercial customers to maintain and generate new business opportunities for the future.

New Supported Business commercial opportunities have been developed bringing the potential for new customers, new markets along with new skills to be learnt, which provides a good platform on which to build. MTIB's facilities and resources, coupled with the commitment and flexibility of our workforce, will give us the opportunity to fully realise the required recovery to drive the business forward.

The Board and Management believe that the development of the business planning process has continued to help us lead the business following the Covid-19 crisis and has ensured that everyone is focussed on delivering the business objectives, which continue to be an important factor in our continuing success to date.

2023/24 has been another challenging year, where we have had to draw on the skills, resourcefulness, flexibility, adaptability and resilience of our staff to maintain the employment of our disabled workforce and continue to deliver the invaluable services to disabled and disadvantaged persons within South Wales. This has been mainly due to the sustained strong commercial demand within the Supported Business, the Employment and Training Team successfully achieving delivery of contracts during the year and management securing commercial and contract opportunities. However, we must not be complacent as we need to build on production efficiencies and try to maintain the increased sales opportunities to generate our own income to become less reliant on ever decreasing funding. Additionally, the employment and training contracts are for relatively short durations, so will need to be replaced when completed. We will continue to adapt and develop our services, focusing our efforts to meet the requirements of any new contract opportunities. As a result, we can continue to demonstrate our excellent track record of delivery and performance to commissioners, ensuring that additional contracts are secured.

We are focused on delivering our existing contracts, whilst seeking to secure future contracts, as well as delivering further significant improvements in the financial performance of the manufacturing unit.

MTIB's involvement with DWP regarding the Supported Business Steering Group will have a major impact on MTIB. As such, we will continue our involvement and monitor developments closely, promoting MTIB's services to DWP, JCP, potential prime contractors, MPs and AMs, in order to influence and position ourselves in the best interests of our disabled employees, clients and organisation. However, the future develops, the Board are committed to make every effort to secure the future of the business and continue to develop our services of providing training and employment opportunities for persons with disabilities and health conditions and those who are disadvantaged, economically inactive and unemployed. Consequently, we look forward to meeting the challenges ahead during 2024/25 and beyond.

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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2024

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#### Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 04 December 2024 and signed on behalf of the board of trustees by:

R A Welfoot  
Charity Secretary



# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind

Year ended 31 March 2024

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#### Opinion

We have audited the financial statements of The Merthyr Tydfil Institute for the Blind (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 charity's affairs as at 31 March 2024 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### 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 charity 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2024

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.
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# **The Merthyr Tydfil Institute for the Blind**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)***

**Year ended 31 March 2024**

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2024

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#### 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- By enquiring with senior management and those charged with governance all area of risk identified were considered and any potential litigation or claim, if any, were noted
- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance
- By obtaining an understanding of the company's policies and procedures on compliance with laws and regulations, and with best accounting practice
- Noting issues discussed with Directors and the Senior Management Team where they relate to risks faced by the company
- Reviewing information received from the company's solicitors, if any, and discussing their contents with the Directors
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management overrides of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business

Through these procedures, we did not become aware of actual or suspected non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of The Merthyr Tydfil Institute for the Blind *(continued)*

Year ended 31 March 2024

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.



Jonathan Rhodes BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of  
Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

04 December 2024

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2024

		2024		2023 (restated)	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	5,670	–	5,670	245
Charitable activities	6	2,168,164	1,000	2,169,164	2,015,912
Investment income	7	58,617	–	58,617	25,802
<b>Total income</b>		<u>2,232,451</u>	<u>1,000</u>	<u>2,233,451</u>	<u>2,041,959</u>
<b>Expenditure</b>					
Expenditure on charitable activities	8,9	2,048,423	–	2,048,423	2,015,140
<b>Total expenditure</b>		<u>2,048,423</u>	<u>–</u>	<u>2,048,423</u>	<u>2,015,140</u>
Net gains/(losses) on investments	11	1,940	–	1,940	(843)
<b>Net income</b>		<u>185,968</u>	<u>1,000</u>	<u>186,968</u>	<u>25,976</u>
Transfers between funds		41,468	(41,468)	–	–
<b>Net movement in funds</b>		<u>227,436</u>	<u>(40,468)</u>	<u>186,968</u>	<u>25,976</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,159,673	880,377	3,040,050	3,014,074
<b>Total funds carried forward</b>		<u>2,387,109</u>	<u>839,909</u>	<u>3,227,018</u>	<u>3,040,050</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 22 to 34 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2024

	Note	2024 £	2023 (restated) £
<b>Fixed assets</b>			
Tangible fixed assets	15	1,251,377	1,301,713
<b>Current assets</b>			
Stocks	16	100,740	125,486
Debtors	17	355,322	258,694
Investments	18	1,268,364	1,324,043
Cash at bank and in hand		650,405	312,428
		<u>2,374,831</u>	<u>2,020,651</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>399,190</u>	<u>282,314</u>
<b>Net current assets</b>		<u>1,975,641</u>	<u>1,738,337</u>
<b>Total assets less current liabilities</b>		<u>3,227,018</u>	<u>3,040,050</u>
<b>Net assets</b>		<u>3,227,018</u>	<u>3,040,050</u>
<b>Funds of the charity</b>			
Restricted funds		839,909	880,377
Unrestricted funds		<u>2,387,109</u>	<u>2,159,673</u>
<b>Total charity funds</b>	21	<u>3,227,018</u>	<u>3,040,050</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 04 December 2024, and are signed on behalf of the board by:



Mr G Meredith  
Trustee



Mrs J Morgan  
Trustee

The notes on pages 22 to 34 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2024

	2024	2023 <i>(restated)</i>
	£	£
<b>Cash flows from operating activities</b>		
Net income	186,968	25,976
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	102,365	88,663
Net gains/(losses) on investments	(1,940)	843
Dividends, interest and rents from investments	(4,480)	(7,315)
Other interest receivable and similar income	(54,137)	(18,487)
Accrued (income)/expenses	(61,590)	409
<i>Changes in:</i>		
Stocks	24,746	3,341
Trade and other debtors	(72,939)	51,905
Trade and other creditors	154,777	47,199
Cash generated from operations	<u>273,770</u>	<u>192,534</u>
Interest received	54,137	18,487
Net cash from operating activities	<u>327,907</u>	<u>211,021</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	4,480	7,315
Purchase of tangible assets	(52,029)	(82,282)
Proceeds from sale of other investments	57,619	15,596
Net cash from/(used in) investing activities	<u>10,070</u>	<u>(59,371)</u>
<b>Net increase in cash and cash equivalents</b>	337,977	151,650
<b>Cash and cash equivalents at beginning of year</b>	312,428	160,778
<b>Cash and cash equivalents at end of year</b>	<u>650,405</u>	<u>312,428</u>

The notes on pages 22 to 34 form part of these financial statements.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2024

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#### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Unit 4 Triangle Business Park, Pentrebach, Merthyr Tydfil, CF48 4TQ.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the currency of the entity, rounded to the nearest pound.

##### Going concern

There are no material uncertainties about the charity's ability to continue.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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#### 3. Accounting policies *(continued)*

##### Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

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#### 3. Accounting policies *(continued)*

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### Depreciation

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

Freehold property	-	2% p.a. Straight Line
Plant and machinery	-	20% p.a. Straight Line
Fixtures and fittings	-	20% p.a. Straight Line
Motor vehicles	-	20% p.a. Straight Line

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

##### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

#### 4. Limited by guarantee

The company is limited by guarantee and has no share capital. The liability of each member under guarantee is limited to £1.

Number of members as at 31 March 2024 is 7 (2023: 7).

#### 5. Prior year adjustment

During the period, accruals recognised in prior year financial statements, totalling £70,000, have been reclassified as Designated Funds to disclose these future costs in accordance with the requirements of the Companies Act and the Charity SORP.

#### 6. Donations and legacies

	Unrestricted Funds £	<b>Total Funds 2024 £</b>	Unrestricted Funds £	Total Funds 2023 £
<b>Donations</b>				
Donations	5,670	5,670	245	245

#### 7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2024 £</b>
<b>Sales from Supported Business</b>	1,103,910	–	1,103,910
<b>Fundraising</b>	4,930	–	4,930
<b>Supported Business and Placement Scheme</b>			
Access to Work TESS Grant	192,862	–	192,862
Merthyr Tydfil CBC SLAs	45,000	–	45,000
Coronavirus Job Retention Scheme	–	–	–
WCVA Active Inclusion contract	–	–	–
RESTART contract	240,043	–	240,043
JOBSense contract	222,617	–	222,617
UKSPF Programme Income	286,898	–	286,898
Employment Support Programme Contract	5,510	–	5,510
<b>Other Grants</b>			
WCVA Energy Efficiency Scheme Grant	–	1,000	1,000
DWP Access to Work Income	66,394	–	66,394
	<u>2,168,164</u>	<u>1,000</u>	<u>2,169,164</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 7. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Sales from Supported Business</b>	983,611	–	983,611
<b>Fundraising</b>	400	–	400
<b>Supported Business and Placement Scheme</b>			
Access to Work TESS Grant	199,989	–	199,989
Merthyr Tydfil CBC SLAs	45,000	–	45,000
Coronavirus Job Retention Scheme	–	16,902	16,902
WCVA Active Inclusion contract	237,488	–	237,488
RESTART contract	213,357	–	213,357
JOBSENSE contract	268,932	–	268,932
UKSPF Programme Income	–	–	–
Employment Support Programme Contract	18,132	–	18,132
<b>Other Grants</b>			
WCVA Energy Efficiency Scheme Grant	–	–	–
DWP Access to Work Income	32,101	–	32,101
	<u>1,999,010</u>	<u>16,902</u>	<u>2,015,912</u>

#### 8. Investment income

	Unrestricted Funds £	<b>Total Funds 2024 £</b>	Unrestricted Funds £	Total Funds 2023 £
Rental income	4,480	4,480	7,315	7,315
Bank interest receivable	54,137	54,137	18,487	18,487
	<u>58,617</u>	<u>58,617</u>	<u>25,802</u>	<u>25,802</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Supported Business	1,317,272	–	1,317,272
Employment & Training	405,179	–	405,179
Blueprint Project	33,906	–	33,906
Governance	7,690	–	7,690
Support costs	284,376	–	284,376
	<u>2,048,423</u>	<u>–</u>	<u>2,048,423</u>
	Unrestricted Funds	Restricted Funds	Total Funds 2023 <i>(restated)</i>
	£	£	£
Supported Business	1,229,466	16,902	1,246,368
Employment & Training	457,256	–	457,256
Blueprint Project	32,371	–	32,371
Governance	7,475	–	7,475
Support costs	271,670	–	271,670
	<u>1,998,238</u>	<u>16,902</u>	<u>2,015,140</u>

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2024	Total fund 2023 <i>(restated)</i>
	£	£	£	£
Supported Business	1,317,272	142,188	1,459,460	1,382,202
Employment & Training	405,179	142,188	547,367	593,092
Blueprint Project	33,906	–	33,906	32,371
Governance	7,690	–	7,690	7,475
	<u>1,764,047</u>	<u>284,376</u>	<u>2,048,423</u>	<u>2,015,140</u>

#### 11. Analysis of support costs

	Supported Business	Employment & Training	Total 2024	Total 2023 <i>(restated)</i>
	£	£	£	£
Staff costs	112,445	112,445	224,890	233,360
Premises	7,278	7,278	14,556	18,393
Administrative costs	19,365	19,365	38,730	17,050
Legal & Professional	3,100	3,100	6,200	2,867
	<u>142,188</u>	<u>142,188</u>	<u>284,376</u>	<u>271,670</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 12. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Gains/(losses) on other investment assets	1,940	1,940	(843)	(843)

#### 13. Net income

Net income is stated after charging/(crediting):

	2024 £	2023 £
Depreciation of tangible fixed assets	102,365	88,663
Auditors' remuneration	7,615	7,400

#### 14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 <i>(restated)</i> £
Wages and salaries	1,050,733	1,082,079
Social security costs	88,115	91,551
Employer contributions to pension plans	57,930	66,096
	<u>1,196,778</u>	<u>1,239,726</u>

The average head count of employees during the year was 57 (2023: 59). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Manufacturing	25	27
Selling and Distribution	2	2
Management and Administration	6	6
Employment and Training	13	12
	<u>46</u>	<u>47</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2024 No.	2023 No.
£70,000 to £79,999	<u>1</u>	<u>1</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 14. Staff costs *(continued)*

##### Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £351,269 (2023: £339,276).

#### 15. Trustee remuneration and expenses

No fees, emoluments or expenses were paid to Trustees during the year (2023: £ Nil)

During the year the charity was not involved in any transactions with organisations associated with people who are directors of the charity.

#### 16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2023 (as restated)	1,697,454	619,685	138,360	80,382	2,535,881
Additions	–	50,529	1,500	–	52,029
Disposals	–	(187,306)	(1,622)	–	(188,928)
<b>At 31 March 2024</b>	<u>1,697,454</u>	<u>482,908</u>	<u>138,238</u>	<u>80,382</u>	<u>2,398,982</u>
<b>Depreciation</b>					
At 1 April 2023	604,164	452,198	125,291	52,515	1,234,168
Charge for the year	33,949	54,253	3,471	10,692	102,365
Disposals	–	(187,306)	(1,622)	–	(188,928)
<b>At 31 March 2024</b>	<u>638,113</u>	<u>319,145</u>	<u>127,140</u>	<u>63,207</u>	<u>1,147,605</u>
<b>Carrying amount</b>					
<b>At 31 March 2024</b>	<u>1,059,341</u>	<u>163,763</u>	<u>11,098</u>	<u>17,175</u>	<u>1,251,377</u>
At 31 March 2023	<u>1,093,290</u>	<u>167,487</u>	<u>13,069</u>	<u>27,867</u>	<u>1,301,713</u>

#### 17. Stocks

	2024 £	2023 £
Raw materials and consumables	88,100	117,473
Work in progress	10,590	2,274
Finished goods and goods for resale	2,050	5,739
	<u>100,740</u>	<u>125,486</u>

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

#### 18. Debtors

	2024	2023
	£	£
Trade debtors	264,380	189,453
Prepayments and accrued income	90,942	68,509
Other debtors	—	732
	<u>355,322</u>	<u>258,694</u>

#### 19. Investments

	2024	2023
	£	£
Charities Official Investment Fund (COIF) see note (a) below	23,375	21,435
Fixed Rate Deposits	1,244,989	1,302,608
	<u>1,268,364</u>	<u>1,324,043</u>

(a) Relates to 1144 units in COIF Charities Investment Fund Inc, originally purchased for £1 each.

#### 20. Creditors: amounts falling due within one year

	2024	2023
	£	<i>(restated)</i> £
Trade creditors	248,120	142,417
Accruals and deferred income	52,944	90,845
Social security and other taxes	88,303	39,415
Other creditors	9,823	9,637
	<u>399,190</u>	<u>282,314</u>

#### 21. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £19,702 (2023: £19,494).

##### Defined benefit plans

The company participates in a pension scheme operated by Rhondda Cynon Taff County Borough Council providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out below, information available on the funding of the scheme and the implications for the company in terms of the anticipated contribution rates.

The total pension cost of the company was £18,227 (2023: £26,602). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31st March 2022. The assumptions that have the most significant effect on the valuation are those relating to discount rate set on the expected

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

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#### **21. Pensions and other post retirement benefits *(continued)***

return on the fund assets and the rates of increase in salaries and pensions. It was assumed that the discount rate for active members would be 1.3% - 4.3% per annum and 1.3% - 4.25% per annum for members who have left the service; salary increases would average 3.55% per annum and that present and future pensions would increase at the rate of 2.3% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £4,512.1 million and the actuarial value of the assets was sufficient to cover 105.1% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company will be 29.8% (2023: 33.5%) and for employees 9.9% and 6.8% for the two related employees (2023: 9.9% and 6.8%). Contributions amounting to £3,116 (2023: £3,816) were payable to the scheme at the year end and are included in creditors.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

#### 22. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2024 £
Capital and charitable reserve	469,801	11,363	(2,647)	–	1,940	480,457
Profit and loss account	1,619,872	2,221,088	(2,045,776)	17,404	–	1,812,588
Designated funds	70,000	–	–	24,064	–	94,064
	<u>2,159,673</u>	<u>2,232,451</u>	<u>(2,048,423)</u>	<u>41,468</u>	<u>1,940</u>	<u>2,387,109</u>

	At 1 April 2022 <i>(restated)</i> £	Income £	Expenditure £	Transfers <i>(restated)</i> £	Gains and losses £	At 31 March 2023 <i>(restated)</i> £
Capital and charitable reserve	479,351	–	(8,707)	–	(843)	469,801
Profit and loss account	1,582,383	2,025,057	(1,989,531)	1,963	–	1,619,872
Designated funds	30,000	–	–	40,000	–	70,000
	<u>2,091,734</u>	<u>2,025,057</u>	<u>(1,998,238)</u>	<u>41,963</u>	<u>(843)</u>	<u>2,159,673</u>

The capital and charitable reserve comprises:

A capital reserve which arose on incorporation in 1991	352,919
The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date.	<u>127,538</u>
	<b>480,457</b>

During the period, accruals recognised in prior year' financial statements, totalling £70,000, have been reclassified as Designated Funds to disclose these future costs in accordance with the requirements of the Companies Act and the Charity SORP.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2024

#### 22. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	At 31 March 2024 £
Job Retention Scheme	–	–	–	–	–
Other revenue grants	–	1,000	–	–	1,000
Other capital grants	43,584	–	–	(15,729)	27,855
Blueprint project	836,793	–	–	(25,739)	811,054
	<u>880,377</u>	<u>1,000</u>	<u>–</u>	<u>(41,468)</u>	<u>839,909</u>

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Job Retention Scheme	–	16,902	(16,902)	–	–
Other revenue grants	–	–	–	–	–
Other capital grants	59,828	–	–	(16,244)	43,584
Blueprint project	862,512	–	–	(25,719)	836,793
	<u>922,340</u>	<u>16,902</u>	<u>(16,902)</u>	<u>(41,963)</u>	<u>880,377</u>

Job Retention Scheme is the grant funding from the UK Government to support the jobs of those employees furloughed and flexible furloughed as a result of the Covid-19 pandemic restrictions. The receipt shown is the release of the clawback provision made in the previous year.

Other capital grants represent grants received from funders that in order to help finance the acquisition of certain fixed assets. Each funding agreement will have its own conditions attached to the use of the funding in relation to the fixed asset.

The Blueprint project represents grants received from the Welsh European Funding Office and Merthyr Tydfil County Borough Council in relation to the organisation's European Objective 1 Blueprint project to expand its resources and services for the training, development and creation of employment opportunities for blind, partially sighted and disabled persons throughout South Wales.

# The Merthyr Tydfil Institute for the Blind

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

#### 23. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	412,468	838,909	1,251,377
Investments	1,268,364	–	1,268,364
Current assets	1,105,467	1,000	1,106,467
Creditors less than 1 year	(399,190)	–	(399,190)
<b>Net assets</b>	<u>2,387,109</u>	<u>839,909</u>	<u>3,227,018</u>
	Unrestricted Funds <i>(restated)</i> £	Restricted Funds £	Total Funds 2023 <i>(restated)</i> £
Tangible fixed assets	421,336	880,377	1,301,713
Investments	1,324,043	–	1,324,043
Current assets	696,608	–	696,608
Creditors less than 1 year	(282,314)	–	(282,314)
<b>Net assets</b>	<u>2,159,673</u>	<u>880,377</u>	<u>3,040,050</u>

#### 24. Analysis of changes in net debt

	At 1 Apr 2023 £	Cash flows £	At 31 Mar 2024 £
Cash at bank and in hand	312,428	337,977	650,405
Current asset investments	1,324,043	(55,679)	1,268,364
	<u>1,636,471</u>	<u>282,298</u>	<u>1,918,769</u>

**MERTHYR TYDFIL INSTITUTE FOR THE BLIND**

England & Wales - Charity number 1007270

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# Accounts

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Providing disabled and disadvantaged people the opportunity of sustained employment



# The Merthyr Tydfil Institute for the Blind

*Annual Report for the year ended  
31<sup>st</sup> March 2023*



Cyngor Bwrdeistref Sirol  
**MERTHYR TYDFIL**  
County Borough Council

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Providing disabled and disadvantaged people the opportunity of sustained employment

<b>CONTENTS</b>	<b>Page</b>
<b>Trustees Report</b>	<b>3</b>
<b>Independent report of the Auditors</b>	<b>17</b>
<b>Statement of financial activities</b>	<b>21</b>
<b>Profit and loss account</b>	<b>22</b>
<b>Balance sheet</b>	<b>23</b>
<b>Statement of Cash Flows</b>	<b>24</b>
<b>Notes to the financial statements</b>	<b>25</b>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2023

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## OBJECTIVES AND ACTIVITIES

### Purpose of The Merthyr Tydfil Institute for the Blind

The Merthyr Tydfil Institute for the Blind (MTIB) is a registered charity providing cost effective training, development and employment opportunities for persons with disabilities and those who are disadvantaged, economically inactive or unemployed. The Charity achieves this through a delicate balancing of the commercial demands on the organisation with the social ethos of providing employment and training opportunities for its clients.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

MTIB's aim is to provide people who have disabilities, or are disadvantaged, economically inactive or unemployed, the opportunity for sustained employment.

The main areas of charitable activity are the operation of a Supported Business, via a wood working manufacturing unit at Pentrebach, Merthyr Tydfil, servicing the UK furniture industry that directly employs disabled and disadvantaged persons, along with an Employment and Training Department, which delivers programmes that support the employment of persons with disabilities and health conditions, along with those that are disadvantaged, economically inactive or unemployed within mainstream employment throughout South Wales.

The Supported Business provided sustained direct employment for an average of 39 (2022, 43) disabled persons within a commercial manufacturing environment with an average of 4 (2022, 3) hosted to local employers. Employees are encouraged to engage in training activities to expand and develop their skills in areas such as ICT to benefit themselves and the organisation. In addition, the manufacturing unit is used to offer work trials and work placement opportunities to clients seeking to gain experience within a work environment, which include those with learning disabilities who access the local council's Day Care Services, as well as students at local schools and colleges.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

Administration of the Employment and Training Department also operates from the Pentrebach site and directly employed an average of 8 (2022 8) disabled persons during the year. The Department matches disabled and disadvantaged clients seeking to gain or retain employment with mainstream 'Host' employers and provides a wide range of supported work opportunities that meet the differing needs of people with disabilities, whilst reflecting the demands of the local labour market. MTIB offers a range of support to both employers and employees including practical help, such as, a job trainer, job coach, mentoring from colleagues as well as advice and awareness help to the employer and employees, along with financial support to the employer. All support activities are focused with the goal of creating and sustaining the employment of the disabled client.

The main programmes delivered during the year include the Restart and Jobsense contracts, the WCVA Active Inclusion project and our Local Authority SLA Reach Up. The Supported Business contract continues to be funded via Access to Work under the Transitional Employer Support Grant (TESG). This funding model has been now been extended until end of September 2024.

Our subcontract with Serco to deliver the DWP Restart programme, supporting disadvantage persons back into employment, continues to be challenging due to the change in the quality of referrals and the onerous compliance regime. However, the Team has performed well to meet the contract compliance and performance targets, regularly being in the top quartile of the supply chain. Additionally, our Jobsense project, supporting those with sight and/or hearing impairment in South and West Wales being our final EU Funded project is delivered in a collaborative consortium with 3 other likeminded third sector providers of employment support to disabled and disadvantaged people. The MTIB Team have performed very well during the period and has consequently been allocated an additional 5% of the project delivery along with the related funding.

Our final WCVA Active Inclusion project supports disabled, disadvantaged and economically inactive people. Our Mantais project was successfully completed in December 2022. The team has continued to perform well to meet the performance levels, where the project overall achieved 82% of our engagement target with 44% job outcomes. As a consequence of the high level of performance MTIB was rewarded with a higher intervention rate, receiving an extra £35k of funding within the final project payment.

We continue to provide much needed training, development and work placement opportunities to people with severe learning disabilities in the Merthyr Area and following a retender of the Reach Up contract with Merthyr Tydfil CBC, we successfully secured the contract until March 2024.

During the year, 288 disabled and disadvantaged people were supported by MTIB via its training and employment contracts, achieving and sustaining a total of 162 jobs.

During the year, our Restart contract supported 94 customers gaining 51 jobs, with our WCVA Active Inclusion project supporting 79 individuals in the period, of which, 48 entered employment. Jobsense engaged with 32 sensory impaired clients and successfully secured 5 jobs, which was very encouraging for this client group.

## *Providing disabled and disadvantaged people the opportunity of sustained employment*

### Trustees' Report

Our Reach Up project supported 11 individuals with learning disabilities, with 4 sustaining volunteer placements, along with 3 new jobs and 3 maintaining Supported Permitted Work in the period.

Since April 2019, MTIB's disabled and disadvantaged employees within the Supported Business have originally been funded by the replacement 3-year Transitional Employment Support Grant (TESG) via Access to Work (AtW). This funding has since been extended to, with the latest extension to September 2024. During the year our Supported Business directly supported an average of 46 individuals on the TESG programme.

MTIB's clients are provided with the opportunity to participate within our programmes at their chosen level. MTIB's provision facilitates a progressive process, from entry via a directly employed supportive manufacturing environment, through assessment, training and development in specific skill areas, through to the opportunity for placement with a 'Host' employer. Eventually, by tapering support, those who are able, can be fully integrated into mainstream employment. An important feature of MTIB's delivery is that individuals can enter the programme at any stage, to suit their own particular needs and abilities and reap the attendant benefits associated with gaining, retaining and sustaining employment.

There is no charge for our services to the client or 'Host' employer. Eligibility for our services is restricted to persons with disabilities and those disadvantaged, economically inactive and unemployed persons as defined by the individual programmes we deliver. Demand for our services continues to be high especially as the gap between the employment of disabled persons compared to non-disabled remains stubbornly high. MTIB's consistent proactive approach over the years of successfully over providing on its contracts, has to date facilitated our ability to support each eligible client that has been referred to us. MTIB also continues to expand and develop the services that it is able to provide in line with the varying needs of our clients. However, where client's requirements would be better served through another provider, we refer the client to them where appropriate.

We ensure our activities deliver our aims by reviewing our aims, objectives and activities each year via our business planning process. This review looks at what we achieved and the outcome of our work in the previous 12 months. The review looks at the success of each key activity and the benefits brought to those groups of people we are set up to help. This helps us to ensure our aims, objectives and activities remained focused on our stated purposes.

The training, development and support we provide to create and sustain employment opportunities for our clients is always focused on the individual to ensure that the client's health condition is not adversely affected by their employment and is monitored on a regular basis. In addition, any changes in financial circumstances affected by employment are considered with the necessary agencies, so that clients can make an informed decision.

All members of the Board give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 21 to the accounts.

## Trustees' Report

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE

MTIB has continued to successfully meet the increased customer demand, following Covid-19. As with most organisations the home working requirement during the pandemic has seen MTIB adopt more flexible working from home practices with relevant staff where agreed, which importantly has ensured continuity of delivery of our employment and training contracts.

Furthermore, MTIB's continued membership of the Supported Business Steering Group (SBSG) with DWP provided our ability to lobby DWP and ensure we were instrumental in securing a further extension of TESSG funding to 30<sup>th</sup> September 2024, at which time the new funding model is planned to take over.

Having successfully agreed an extension and extra funding for our Mantais project to December 2022, MTIB performed so well that it was awarded an extra £35k of funding within the final project payment. Additionally, we successfully secured a further 18-month contract to March 2024 of the amalgamated service provision contract from MTCBC's Day Care services.

MTIB's focus on securing the existing income from its contracts, whilst securing new ones, coupled with ability to increase manufacturing capability as customer demand increased, has helped us to maintain and develop our products and services. However, there still remains more work to be done each year, especially as following Brexit there will be no more employment and training contracts from EU Funds, with our final one, Jobsense, ending in September 2023.

However, the fact that MTIB is able to secure and deliver these contracts continues to justify the Board's decision to invest in securing our staff resources, whilst replacement contracts are secured in order to demonstrate our ability to successfully deliver. Our aim has partly been achieved by securing a UK Shared Prosperity Fund contract with Merthyr Tydfil CBC for 2 years from April 2023 supporting disabled and disadvantage people into work. Consequently, we will continue to perpetuate this course of action with the goal of generating further income wherever possible.

The forecast budget for the year was a loss of £64,939, due mainly to the delay in the commencement of replacement employment and training contracts, Restart and Jobsense, along with the uncertain sales demand from our commercial activities in a climate of increasing costs, without any further government Covid-19 support.

Through our focus on maximising income from our employment and training contracts as well as generating sales opportunities within the manufacturing unit, whilst controlling costs and our involvement the assembly supply chain to deliver two 2 musical instruments for Welsh Government, we achieved a surplus of £37,490 as per the profit and loss account shown at page 22, (£26,518 loss, 2022). This was an very encouraging result, as it demonstrated the success of our efforts post Covid-19.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

Within the manufacturing unit, the management has continued to focus on a targeted marketing strategy to generate sales opportunities and secure material supply in a climate of volatile price increases, whilst improving production effectiveness and efficiency where possible.

Consequently, sales income from the manufacturing business increased to £983,611, (£851,657, 2021/22), representing a 15.5% increase on the previous year's good performance, resulting in a 17.7% increase in added value. The encouraging sales were mainly due to a continued increased demand from existing and new customers for existing products, along with our involvement in the supply of the musical instruments to Welsh Government.

The Employment and Training Department continued to perform well during the year on the Restart and Jobsense projects, whilst completing our final WCVA Active inclusion contract in December 2022, achieving excellent results, which earned the award of extra funding in the final payment. The remaining outcome income was generated from Disability Confident assessments and the Merthyr Tydfil CBC contract. Consequently, overall financial performance achieved within the department was very encouraging, realising a surplus of around £185k.

Within the manufacturing unit, we continue to focus on improvements to ensure its continued long-term viability. The aim remains for it to achieve a break-even position and then generate a surplus, so as to become less reliant on funding, which is ever reducing. Additionally, the Employment and Training department needs to continue to successfully secure and deliver contracts to maintain its contribution to the organisation, especially where contract opportunities are less prevalent. The Board and Management Team continue to review performance and activities, whilst seeking replacement funding from various other sources so that financial stability can be fully realised. Adopting this approach, MTIB secured with Merthyr Tydfil CBC a UK Shared Prosperity Fund (UKSPF) project, from April 2023 to March 2025.

The charity's main objectives for the year were to build on the progress of the financial performance of the manufacturing unit post Covid-19 and to successfully deliver its Employment and Training contracts, by aiming to maximise related outputs and financial return from all contracts. Additionally, to successfully complete and deliver all its contracts, whilst further developing and expanding MTIB's training resources and facilities seeking to secure and deliver further replacement employment and training contract income. This has been achieved through our successful delivery of the Restart and Jobsense contracts, where our Jobsense delivery was increased by 25% and since the year end our Restart contract has been increased by 74%.

During the year, we have continued to deliver quality services to our disabled and disadvantaged customers incorporating online activities introduced as a result of Covid-19 and have secured continued funding income. The ability of our staff to successfully adapt and be flexible in delivering the various contracts secured, has resulted in a performance that has facilitated our survival throughout this most challenging of years, whilst developing future opportunities.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Our objectives focus on the need to develop and expand our training resources and facilities to secure and deliver employment related training. MTIB has met its objective to successfully deliver its employment and training contracts by maximising the outputs and related income from all contracts. Our successful performance is supported by our continued Investors in People and Matrix accreditations.

We have also met our objective to improve the effectiveness and efficiency of the Supported Business manufacturing unit, increasing sales and added value beyond that of pre Covid-19 levels and increase the training and employment opportunities for our disabled and disadvantaged workforce. MTIB has also maintained its FSC accreditation following audit and notably secured inclusion in the supply chain for assembly and delivery of 2 musical instrument to the Welsh Government's Education Department.

Matters regarding Finance, Business Development and Business Operations are reported on at full board meetings, since the board decided to dispense with sub committees. This has proved a more effective way of conducting the business of the organisation, as all Trustees are updated on all progress and developments, whilst ensuring that meetings can take place should some be unable to attend. Additionally, the CEO provides regular updates to the board via email, whilst, there is also the flexibility to hold extra meetings in addition to the scheduled board meetings to discuss and address any specific issues that arise either, in person, virtually or a hybrid of both.

## Board structure

The board and executive management were very pleased with the results during the year, but are also acutely aware of the challenge to generate future contract income, since the end of EU funds following Brexit. Consequently, they will continue to utilise the business planning process to manage the organisation. In conjunction with the involvement of all staff, they reviewed the strategic direction and agreed a Business Plan for 2023/24, agreeing to commit to maintain staff levels, by utilising reserves if required.

## Training, development and personnel

The training and development of MTIB's disabled and disadvantaged clients is a key aspect of the organisation's employment and training delivery. The Board and Management are committed to strive for continual improvement of the quality of all of MTIB's services, whilst increasing the training, development and employment opportunities to disabled, disadvantaged, economically inactive and unemployed persons. The facilities and resources made available through the legacy of the Blueprint Project continues to help the realisation of this goal by providing enhanced work-based training, assessment and ICT training services, which, not only allow more clients the chance to take up employment opportunities, but also provide further opportunities to develop the organisation in the future.

The securing of extra contract income and new contracts during the year, all contribute to the delivery of employability training for those disabled, disadvantaged, economically inactive or unemployed clients seeking to improve their skills, gain qualifications and develop their employment opportunities.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

Our focus on our Core Values, communication and the development support of our people, have all been major contributory factors to MTIB's ability to cope with the issues as they arise and to successfully adapt to meet the challenges they may present.

During the year, all staff continued to be regularly updated on the developments of the business. MTIB's Core Values and Management Behaviours have helped to reinforce a positive organisational culture towards change, where all employees have stated that they are prepared to adapt to meet future requirements in order to face the challenges ahead. As such, the Board and Management believe that the continual development of positive working relationships between all employees has resulted in a more effective business operation, which has again been evidenced by this year's performance.

### Supported Business Protected Places

MTIB continued to effectively utilise its places on our Supported Business agreement, which was recently extended to 30<sup>th</sup> September 2024, under the DWP Access to Work TSEG scheme (Transitional Employer Support Grant), following which a new funding model is planned.

This resulted in an average of 48 individuals (50, 2022) being directly employed by MTIB. In addition, a further 236 (319, 2022) persons with disabilities were supported by MTIB with the aim of achieving sustainable mainstream employment. Of those engaged in 2022/23, MTIB's support provided ongoing or new employment for 162 (2022, 123) individuals during the period.

MTIB's continued flexibility and proactive approach to the delivery of all its contracts has ensured that we have successfully maximised the outputs and related income to the end of contracts (WCVA). Consequently, we have achieved high levels of contract quality and performance, which has built MTIB an excellent track record that has allowed us to take advantage of future contract opportunities.

### Income

MTIB's WCVA, Restart and Jobsense contracts, along with the Supported Business TSEG grant via DWP's Access to Work programme, have been the main sources of income, where the objectives were to achieve their planned outputs in order to obtain the maximum funding. During the year, output related income has been maximised where possible and the Supported Business contract has been extended to 30<sup>th</sup> September 2024. The Merthyr Tydfil CBC contract was also extended during the year, along with securing extra funding from our final WCVA contract, along with increased contract delivery of the Jobsense and Restart contracts. Furthermore, we have secured a 2 year UKSPF project with Merthyr Tydfil CBC to March 2025. However, apart from the 4-year RESTART subcontract, all these contracts are relatively short term, so further funding streams will need to be secured as EU funds are no longer available.

Also, we continue our efforts to reduce costs and increase sales within the Supported Business to secure MTIB's future viability. Our place on the NPS Office and Educational Furniture framework has already presented opportunities where we are collaborating with another socially minded organisation to bid jointly on future contract opportunities.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Further potential opportunities are currently being explored with the DWP, JCP, WCVA and Welsh Government programmes amongst others, but are less developed, due to the uncertainties of funders' priorities within the current economic climate.

We continue to cultivate and develop our relationships and services with local and National Government. In addition, as a member of the Supported Business Alliance, MTIB sits on the Supported Business Steering Group with the British Association of Supported Employment (BASE) working with DWP, which has secured transitional funding for Supported Businesses from April 2019 to September 2024 and are awaiting confirmation of the replacement funding model beyond that date.

## **FINANCIAL REVIEW**

### **Results and principal activities**

The profit and loss account for the period is set out on page 22. The retained surplus for the period of £37,490 (£26,518 loss, 2021/22) has been transferred to reserves. The principal activities of the company are the provision of supported employment, training and development for disabled persons and those who are disadvantaged, economically inactive or unemployed.

### **Review of business and future developments**

Both the level of business and the year end financial position were satisfactory considering the challenging circumstances. The Trustees are satisfied that there are plans in place to secure opportunities of replacement contract income following the end of existing contracts and have committed to maintain the level of staff, whilst covering any shortfall using reserves, with regular reviews up to that date.

### **Principal Funders**

MTIB's principal funders were WCVA via our remaining WCVA Active Inclusion projects, our Restart and Jobsense contracts, as well as AtW TEGS Funding. All other contracts are smaller in value and for shorter durations of between 12 to 18 months, besides the contract with Merthyr Tydfil County Borough Council Adult Services Department, which although low value, has persisted for many years in one form or another.

### **Reserves policy**

MTIB aims to retain sufficient free reserves to ensure that commitments made to providing services to disabled persons can be made with confidence. The Trustees believe that the value of reserves needed equates to 12 months of the resources expended, excluding materials. The free reserves figure used is calculated as the total of unrestricted reserves less those related to fixed assets, which are compared to the forecast expenditure for the following year. At 31st March 2023 free reserves were £1,668,337 (2022: £1,675,980), which is 12 months of the forward resources expended, excluding materials.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The ongoing effects of Covid-19, Brexit, the Energy Crisis and the attendant increase in inflation and cost of living on the future economic climate, provide continued uncertainty of our ability to generate the required level of income from our Employment and Training contracts to cover the Supported Business, which although improved, still trades at a deficit. Consequently, our excess reserves will be utilised to cover periods where income does not cover expenditure, so that service to our disabled employees and customers can be maintained until replacement income or cost reductions are implemented.

## Investment policy

The Trustees have wide investment powers and adopted a risk adverse policy to investments. The investments, shown in note 13 to the accounts, have been made in the Charities Official Investment Fund which provides income and the opportunity for capital growth on the investment

## Risk review

Key risks within MTIB have been identified and a contingency plan is set out within the Business Plan each year. The Board and management team have set in place systems to mitigate these risks and continue to evaluate and monitor them.

One of the main risks to the business is to achieve the minimum performance levels of all its employment and training contracts to ensure that there is no risk of losing them, even with those that have less financial impact due to their relatively lower value. However, the potential resultant undesirable loss in reputation is why MTIB prioritises efforts to ensure that contract quality and performance levels are met and strive to exceed them where possible. This is achieved by ensuring our staff are skilled, focussed, motivated and supported with the necessary resources to successfully deliver all our contracts.

Due to the ending of EU funding following Brexit, MTIB's final WCVA contract ended in December 2022 and our Jobsense contract will end in September 2023, with no framework for employment contract/programme opportunities to replace previous EU funded programmes. The UK Government has developed the UK Shared Prosperity Fund (UKSPF) to be administered by local authorities throughout the UK, for the 2-year period to March 2025 and MTIB secured a contract with Merthyr Tydfil CBC for the period. However, there is yet to be announced a framework for funding beyond March 2025. Although MTIB has secured UKSPF funding, currently it is relatively short lived, so as usual, we will keep up to date of potential opportunities as they arise. The depressed economic climate and rise in unemployment will likely provide further opportunities either within our existing Restart subcontract or new programmes. Should replacement funding for the UKSPF not be realised, to help bridge the funding gap, MTIB will consider its options depending on the circumstances at the time.

As a result of the energy crisis, MTIB's forecast for gas and electricity was set to rise from £45k to £113k pa from April 2023, so since the year end we have identified and invested in energy reducing measures to help reduce the impact. Further, investment options to generate energy and waste cost savings are being explored.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Operating within a commercial environment there is a considerable risk of our manufacturing unit not being able to improve its financial performance from its current loss, especially with the future uncertainties surrounding the forecast economic climate for 2024. Consequently, senior management focus efforts on developing existing and new customers, along with identifying new opportunities. This is complimented by concerted efforts to control costs, whilst reviewing and implementing production efficiencies to ensure financial improvements are achieved.

Underpinning the potential negative financial effects of the risks highlighted above is our level of free reserves, which would allow the business time to assess the situation and implement a plan of recovery, in the best interests of our disabled workforce.

### Employment policy

The company has an equal opportunity policy, which it adopts within its operating environment of Supported Employment.

### Pay policy for Key Management Personnel

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team are considered to be those stated below within the Directors, Trustees, Members and Chief Officers section.

All trustees give their time freely and no trustee received remuneration in the year. Details of wage costs of key management personnel and trustees' expenses including related party transactions are disclosed in notes 9 and 21 respectively, to the accounts.

Senior management pay and staff pay is based on market rates and aligned to the National Minimum Wage. An inflationary rise is awarded upon the discretion of the Trustees following consideration of the aforementioned comparators and where funds are available. Increments and bonuses may be awarded; however, they are not automatic and are given at the discretion of the Chief Executive and the Board of Trustees.

### Political and charitable donations

The company has made no political or charitable donations.

## CONCLUSION AND PLANS FOR THE FUTURE

During the year, we have made good progress on the encouraging performance last year as we emerged from Covid-19 with continued promising business demand. We have secured continued income from the sponsors of our employment and training contracts and used our close relationships with our commercial customers to maintain and generate new business opportunities for the future.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

New Supported Business commercial opportunities have been developed bringing the potential for new customers, new markets along with new skills to be learnt, which provides a good platform on which to build. MTIB's facilities and resources, coupled with the commitment and flexibility of our workforce, will give us the opportunity to fully realise the required recovery to drive the business forward.

The Board and Management believe that the development of the business planning process has continued to help us lead the business following the Covid-19 crisis and has ensured that everyone is focussed on delivering the business objectives, which continue to be an important factor in our continuing success to date.

2022/23 has been another challenging year, where we have had to draw on the skills, resourcefulness, flexibility, adaptability and resilience of our staff to maintain the employment of our disabled workforce and continue to deliver the invaluable services to disabled and disadvantage persons within South Wales. This has been mainly due to the sustained strong commercial demand within the Supported Business, the Employment and Training Team successfully achieving delivery of contracts during the year and management securing the of UKSPF contract with Merthyr Tydfil CBC. However, we must not be complacent as we need to build on production efficiencies and try to maintain the increased sales opportunities to generate our own income to become less reliant on ever decreasing funding. Additionally, the employment and training contracts are for relatively short durations, so will need to be replaced when completed. We will continue to adapt and develop our services, focusing our efforts to meet the requirements of any new contract opportunities. As a result, we can continue to demonstrate our excellent track record of delivery and performance to commissioners, ensuring that additional contracts are secured.

We are focused on delivering our existing contracts, whilst seeking to secure future contracts, as well as delivering further significant improvements in the financial performance of the manufacturing unit.

MTIB's involvement with DWP regarding the Supported Business Steering Group will have a major impact on MTIB. As such, we will continue our involvement and monitor developments closely, promoting MTIB's services to DWP, JCP, potential prime contractors, MPs and AMs, in order to influence and position ourselves in the best interests of our disabled employees, clients and organisation. However, the future develops, the Board are committed to make every effort to secure the future of the business and continue to develop our services of providing training and employment opportunities for persons with disabilities and health conditions and those who are disadvantaged, economically inactive and unemployed. Consequently, we look forward to meeting the challenges ahead during MTIB's centenary year 2023/24 and beyond.

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

### **Status**

The organisation is a charitable company limited by guarantee, incorporated on 31st October 1991 and registered as a charity in June 1923.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected annually at the AGM.

## Governance of the Charity

Matters of Finance, Business Development and Business Operations are reported at regular full board meetings. Day to day management is the responsibility of the Chief Executive Officer, who reports directly to the Trustees and is in regular contact with the Chairman to discuss any issues that arise, where it may require a Board meeting to be convened.

## Recruitment and appointment of Trustees

Periodically the board will decide whether new Trustees need to be recruited to bring knowledge and experience within specific areas required by the business. Nominations are invited from existing Trustees, which are discussed by the board in order to review the respective nominee's credentials. Successful candidates, approved by the board, are then formally invited to become a trustee. Following acceptance, the new trustee receives an induction regarding all aspects of the organisation by the executive management and meets key employees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## REFERENCE AND ADMINISTRATIVE INFORMATION

### Secretary and registered office

R A Welfoot

Unit 4 Triangle Business Park  
Pentrebach  
Merthyr Tydfil  
CF48 4TQ

Company registration number : 2659355

Charity registration number : 1007270

### Statutory auditors

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

### Solicitors

Hugh James  
Hodge House  
114-116 St Mary Street  
Cardiff  
CF10 1DY

Carbon Law Partners  
Creative Quarter  
Morgan Arcade  
Cardiff  
CF101AF

### Bankers

Lloyds Bank plc  
69 High Street  
Merthyr Tydfil  
CF47 8AD

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Trustees' Report

**Directors, Trustees, members and chief officers**

The directors and members, who are also Trustees, and chief officers of the company during the period were:-

**Directors and Trustees:**

Mr G Meredith (Chairman)  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis  
Mrs J Morgan

**Members:**

Mr G Meredith  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis  
Mrs J Morgan

**Principal Officers/Key Management Personnel:**

Mr R A Welfoot  
Mrs P Kennedy  
Mrs M Davies  
Mr A Phillips  
Mr A Hall  
Mr E Silburn  
Mr A Trythall

Chief Executive Officer & Company Secretary  
Deputy Chief Executive Officer  
Employment & Training Manager  
Manufacturing Manager  
Human Resources Manager  
Commercial Manager  
ICT Officer

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Statement of directors' responsibilities

The trustees, who are also directors of The Merthyr Tydfil Institute for the Blind for the purposes of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

### By order of the board

R A Welfoot  
Company Secretary



Date: 7/12/2023

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

### **Basis of Opinion**

We have audited the financial statements of Merthyr Tydfil Institute for the Blind Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 Financial Reporting Standard 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 charitable company's affairs as of 31 March 2023 and of its incoming resources and application of resources, 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 of 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 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.

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

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected, and alleged fraud.
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Providing disabled and disadvantaged people the opportunity of sustained employment

The Merthyr Tydfil Institute for the Blind

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Azets Audit Services**

*Azets Audit Services*

.....  
**Chartered Accountants  
Statutory Auditor**

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Date: *12-12-2023*

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Statement of financial activities for the year ended 31st March 2023

	Note	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
<b>Income and endowments from:</b>					
Donations and legacies	3	245	-	245	38
Charitable activities	4	1,999,010	16,902	2,015,912	1,797,386
Investments	5	25,802	-	25,802	20,251
<b>Total income and endowments</b>		<b>2,025,057</b>	<b>16,902</b>	<b>2,041,959</b>	<b>1,817,675</b>
<b>Expenditure on:</b>					
Charitable activities	6	2,038,238	16,902	2,055,140	1,837,992
<b>Total expenditure</b>		<b>2,038,238</b>	<b>16,902</b>	<b>2,055,140</b>	<b>1,837,992</b>
<i>Net gains/(losses) on investments</i>	13	(843)	-	(843)	1,770
<b>Net income/(expenditure)</b>	8	<b>(14,024)</b>	<b>-</b>	<b>(14,024)</b>	<b>(18,547)</b>
Transfers between funds	18	41,963	(41,963)	-	-
<b>Net movement in funds</b>		<b>27,939</b>	<b>(41,963)</b>	<b>(14,024)</b>	<b>(18,547)</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	18, 19	2,061,734	922,340	2,984,074	3,002,621
<b>Total funds carried forward</b>	18, 19 & 20	<b>2,089,673</b>	<b>880,377</b>	<b>2,970,050</b>	<b>2,984,074</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 25 to 40 form part of the financial statements.

*Providing disabled and disadvantaged people the opportunity of  
sustained employment*

Profit and loss account for the year ended 31st March 2023

	Notes	2023 £	2022 £
<b>Turnover</b>	4	<b>983,611</b>	851,657
Raw materials and change in stocks	6	<u>(439,595)</u>	<u>(389,606)</u>
<b>Trading Profit</b>		<b>544,016</b>	462,051
Other operating income	4	<b>49,003</b>	73,856
Other operating charges	6	<b>(303,821)</b>	(243,202)
Other staff costs	6	<b>(595,796)</b>	(523,318)
		<b>(306,598)</b>	(230,613)
Wage cost of disabled Supported Business employees	6	<b>(571,972)</b>	(430,677)
Grant income related to disabled Supported Business employees	4	<b>244,989</b>	276,426
Employment & Training Programmes staff costs	6	<b>(91,958)</b>	(202,850)
Employment & Training Programmes income	4	<b>737,908</b>	541,758
<b>Operating profit</b>	8	<b>12,369</b>	(45,956)
<b>Interest payable and similar charges</b>	7	<b>(34)</b>	(201)
<b>Interest receivable and similar income</b>		<b>25,155</b>	19,639
<b>Retained profit on ordinary activities for the financial year</b>	19	<b><u>37,490</u></b>	<b><u>(26,518)</u></b>

All the activities of the charitable company are classed as continuing. There is no material difference between the profit for the financial year stated above and its historical cost equivalent.

The notes on pages 25 to 40 form part of the financial statements.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Balance sheet as at 31st March 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	10	<u>1,301,713</u>	<u>1,308,094</u>
<b>Total Fixed Assets</b>		<u>1,301,713</u>	<u>1,308,094</u>
<b>Current assets</b>			
Stocks	11	125,486	128,827
Debtors	12	258,694	310,599
Investments	13	1,324,043	1,340,482
Cash at bank and in hand	14	<u>312,428</u>	<u>160,778</u>
<b>Total Current Assets</b>		<u>2,020,651</u>	<u>1,940,686</u>
<b>Liabilities</b>			
Creditors falling due within one year	15	<u>(352,314)</u>	<u>(264,706)</u>
<b>Net current assets</b>		<u>1,668,337</u>	<u>1,675,980</u>
<b>Net assets</b>		<u>2,970,050</u>	<u>2,984,074</u>
<b>The funds of the charity:</b>			
Unrestricted income funds	19	2,089,673	2,061,734
Restricted income funds	18	<u>880,377</u>	<u>922,340</u>
<b>Total charity funds</b>	20	<u>2,970,050</u>	<u>2,984,074</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31<sup>st</sup> March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

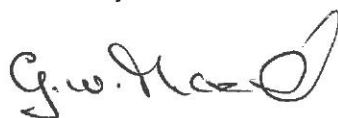
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of Directors/Trustees on 7<sup>th</sup> December 2023 and were signed on its behalf by:

Garry Meredith  
Chairman



Lisa Mytton  
Director



Date: 7/12/23

The notes on pages 25 to 40 form part of the financial statements.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Statement of Cash Flows for year ended 31st March 2023

	Note	2023 £	2022 £
<b>Net cash provided by (used in) operating activities</b>	24	<u>192,534</u>	<u>(88,230)</u>
<b>Cash flows from investing activities:</b>			
Interest income		25,802	20,251
Purchase of tangible fixed assets		(82,282)	(132,611)
Prior Year adjustment to fixed assets		-	-
Proceeds from the disposal of fixed assets		-	1,017
Proceeds from investments		(843)	1,770
<b>Net cash provided by (used in) investing activities</b>		<u>(57,323)</u>	<u>(109,573)</u>
<b>Cash flows from financing activities:</b>		-	-
<b>Net cash provided by (used in) financing activities</b>		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>135,211</u>	<u>(197,803)</u>
Cash and cash equivalents at the beginning of the year		<u>1,501,260</u>	<u>1,699,063</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u>1,636,471</u>	<u>1,501,260</u>
<b>Analysis of Cash and Cash Equivalents</b>			
Cash at bank		312,428	160,778
Short Term Investments		1,324,043	1,340,482
<b>Total cash and cash equivalents</b>		<u>1,636,471</u>	<u>1,501,260</u>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2023

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

#### Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Presentation of the accounts on a going concern basis

The charity reported a net unrestricted inflow of £27,939 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

#### Taxation

As a registered charity, The Merthyr Tydfil Institute for the Blind is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

#### Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

# Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

## 1 Accounting policies (continued)

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

### **Government grants**

The charity has received government grants in the reporting period.

### **Contractual income and performance related grants**

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

### **Legacies**

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

### **Tax reclaims on donations and gifts**

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

### **Donations**

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

### **Volunteer help**

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

### **Income from interest**

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

### **Settlement of insurance claims**

Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP) and are included as an item of other income in the SoFA.

# Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

## 1 Accounting policies (continued)

### Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### Expenditure Recognition and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### Support costs

The charity has incurred expenditure on support costs.

### Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

### Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

### Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

# Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

## 1 Accounting policies (continued)

### Redundancy cost

The charity made no redundancy payments during the reporting period.

### Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

### Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost. The depreciation rates and methods used are noted below:

Freehold land and buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Fixtures and fittings	20%

### Stocks and work in progress

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

### Current asset investments

They are valued at fair value except where they qualify as basic financial instruments.

### Cash at Bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

### Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

### Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts

# Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

## 1 Accounting policies (continued)

### Deferred income

No material item of deferred income has been included in the accounts.

### Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS 102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS 102 SORP.

### Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

### Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### Pension scheme

Contributions are made to the Rhondda Cynon Taf County Borough Council Pension Fund, which is a defined benefit scheme, in respect of certain employees. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effectiveness of variations from regular cost is spread over the expected average remaining service lives of members of the scheme. The company also provides contributions to a defined contribution Work Place Pension administered by Peoples Pension.

## 2 Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2023

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Income from Donations and Legacies

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Donations	245	-	245	38
	<u>245</u>	<u>-</u>	<u>245</u>	<u>38</u>

### 4 Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
<b>Sales, contracts, grants and fundraising</b>				
<b>Sales</b>	983,611	-	983,611	851,657
<b>Fundraising</b>	400	-	400	0
<b>Supported Business and Placement Scheme</b>				
Access to Work TESS Grant	199,989	-	199,989	233,089
Merthyr Tydfil CBC SLAs	45,000	-	45,000	45,000
WG Economic Resilience Grant	-	-	-	9,303
Coronavirus Job Retention Scheme	-	16,902	16,902	31,938
WCVA Active Inclusion contract	237,488	-	237,488	236,700
RESTART contract	213,357	-	213,357	177,017
JOBSense contract	268,932	-	268,932	87,648
Specialist Employment Support contract	-	-	-	-
Employment Support Programme Contract	18,132	-	18,132	38,730
	<u>982,897</u>	<u>16,902</u>	<u>999,799</u>	<u>859,425</u>
<b>Other grant</b>				
Third Sector Resilience Fund Capital Grant	-	-	-	5,000
Third Sector Resilience Fund Revenue Grant	-	-	-	9,500
Social Business Growth Fund Capital Grant	-	-	-	40,389
VAMT Staff Welfare Revenue Grant	-	-	-	1,500
DWP Access to Work Grant	-	-	-	8,299
DWP Access to Work Income	32,101	-	32,101	21,616
	<u>32,101</u>	<u>-</u>	<u>32,101</u>	<u>86,304</u>
<b>Total</b>	<u>1,999,010</u>	<u>16,902</u>	<u>2,015,912</u>	<u>1,797,386</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

## 5 Income from Investments

	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Interest and rental income	25,802	-	25,802	20,251
	<u>25,802</u>	<u>-</u>	<u>25,802</u>	<u>20,251</u>

## 6 Expenditure on Charitable Activities

### Manufacturing, contracts, grants and fundraising

	Fundraising £	Supported Employment Business & Training £	Blueprint Governance Project £	£	2023 Total £	2022 Total £
<b>Costs directly allocated to activities</b>						
Staff Costs	-	571,972	434,394	-	1,006,366	932,896
Travel & Subsistence	-	698	1,879	-	2,577	1,307
Vehicle running costs	-	37,677	7,564	-	45,241	18,417
Materials	-	439,595	-	-	439,595	389,606
Manufacturing costs	-	140,745	-	-	140,745	136,567
Fundraising events	-	-	-	-	-	0
Donations and beneficiary costs	-	5,000	5,000	-	10,000	0
Administrative costs	-	1,962	-	-	1,962	14,263
Legal & Professional	-	(0)	-	7,475	7,475	6,000
Depreciation	-	47,873	8,419	32,371	88,663	79,281
Promotion & Advertising	-	846	-	-	846	64
	<u>-</u>	<u>1,246,368</u>	<u>457,256</u>	<u>32,371</u>	<u>7,475</u>	<u>1,743,470</u>
<b>Support costs allocated to activities (Overhead apportionment)</b>						
Staff Costs	-	126,680	126,680	-	253,360	223,949
Premises	-	14,196	14,197	-	28,393	10,551
Administrative costs	-	13,525	13,525	-	27,050	22,035
Legal & Professional	-	1,433	1,434	-	2,867	3,056
	<u>-</u>	<u>155,834</u>	<u>155,836</u>	<u>-</u>	<u>311,670</u>	<u>259,592</u>
<b>Total</b>	<u>-</u>	<u>1,402,202</u>	<u>613,092</u>	<u>32,371</u>	<u>7,475</u>	<u>2,055,140</u>

## 7 Interest payable and similar charges

	2023 £	2022 £
Amounts payable in relation to bank and finance charges	<u>34</u>	<u>201</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**8 Operating Profit**

	2023	2022
	£	£
<b>Operating profit is stated after (crediting)/charging:</b>		
Depreciation charge for the year on tangible owned fixed assets	<b>88,663</b>	79,281
Auditors' remuneration	<b>7,400</b>	5,925
	<u><u>96,063</u></u>	<u><u>85,206</u></u>

**9 Staff Costs and Numbers**

**Key Management Personnel**

The key management personnel of the charity are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £339,276 (2022: £301,092). The emoluments of one member of staff, including benefits in kind, are within the range of £70,000 to £79,999 (2022 – one in the range £70,000 to £79,999), not including retirement benefits, which are accruing under a defined benefit scheme.

The average weekly number of persons (excluding directors) employed by the company during the period was:

	2023	2022
	Number	Number
<b>By activity</b>		
Production	<b>37</b>	41
Selling and distribution	<b>2</b>	2
Administration	<b>16</b>	16
Placement Scheme	<b>4</b>	3
	<u><u>59</u></u>	<u><u>62</u></u>
<b>Staff costs (for the above persons)</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,102,080</b>	1,032,030
Social security costs	<b>91,551</b>	75,357
Other pension costs (see note 17)	<b>66,096</b>	49,458
	<u><u>1,259,727</u></u>	<u><u>1,156,845</u></u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**10 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1st April 2022	1,693,209	661,546	69,387	138,458	2,562,600
Additions	4,245	61,850	10,995	5,192	82,282
Disposals	-	(103,711)	-	(5,290)	(109,001)
<b>At 31st March 2023</b>	<b>1,697,454</b>	<b>619,685</b>	<b>80,382</b>	<b>138,360</b>	<b>2,535,881</b>
<b>Depreciation</b>					
At 1st April 2022	570,264	513,390	42,762	128,090	1,254,506
Charge for the year	33,900	42,519	9,753	2,491	88,663
Disposals	-	(103,711)	-	(5,290)	(109,001)
<b>At 31st March 2023</b>	<b>604,164</b>	<b>452,198</b>	<b>52,515</b>	<b>125,291</b>	<b>1,234,168</b>
<b>Net book value</b>					
<b>At 31st March 2023</b>	<b>1,093,290</b>	<b>167,487</b>	<b>27,867</b>	<b>13,069</b>	<b>1,301,713</b>
At 31st March 2022	1,122,945	148,156	26,625	10,368	1,308,094

**11 Stocks**

	2023 £	2022 £
Raw materials and consumables	117,473	120,814
Work in progress	2,274	2,274
Finished goods	5,739	5,739
	<b>125,486</b>	<b>128,827</b>

**12 Debtors**

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	189,453	170,148
Other debtors	732	1,952
Prepayments and accrued income	68,509	138,499
	<b>258,694</b>	<b>310,599</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**13 Investments**

	2023	2022
	£	£
Charities Official Investment Fund (historical cost £1,144)	21,435	22,278
Fixed Rate Deposits	<u>1,302,608</u>	<u>1,318,204</u>
	<u><b>1,324,043</b></u>	<u><b>1,340,482</b></u>

**14 Cash at Bank and in Hand**

	2023	2022
	£	£
Cash at bank and in hand	<u>312,428</u>	<u>160,778</u>
	<u><b>312,428</b></u>	<u><b>160,778</b></u>

**15 Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	142,417	82,204
Other taxation and social security costs	39,415	54,583
Other creditors	9,637	7,483
Accruals and deferred income	<u>160,845</u>	<u>120,436</u>
	<u><b>352,314</b></u>	<u><b>264,706</b></u>

**16 Financial Instruments**

	2023	2022
	£	£
<b>Carrying amount of financial assets</b>		
Investments measured at fair value	1,324,043	1,340,482
Debt instruments measured at amortised cost	<u>467,163</u>	<u>332,878</u>
	<u><b>1,791,206</b></u>	<u><b>1,673,360</b></u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u><b>118,146</b></u>	<u><b>89,686</b></u>

## Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

### 17 Pension and similar obligations

The company participates in a pension scheme operated by Rhondda Cynon Taff County Borough Council providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out below, information available on the funding of the scheme and the implications for the company in terms of the anticipated contribution rates.

The total pension cost of the company was £46,602 (2022 £30,071). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31st March 2022. The assumptions that have the most significant effect on the valuation are those relating to discount rate set on the expected return on the fund assets and the rates of increase in salaries and pensions. It was assumed that the discount rate for active members would be 1.3% - 4.3% per annum and 1.3% - 4.25% per annum for members who have left the service; salary increases would average 3.55% per annum and that present and future pensions would increase at the rate of 2.3% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £4,512.1 million and the actuarial value of the assets was sufficient to cover 105.1% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company will be 33.5% (2022 33.5%) and for employees 9.9% and 6.8% for the two related employees (2022 9.9%). Contributions amounting to £3,816 (2022 £1,925) were payable to the scheme at the year end and are included in creditors.

The company set up a defined contribution Work Place Pension administered by Peoples Pension and started making contributions in May 2015. The contributions of the company and employees were 3% (2022 3%) and 5% (2022 5%) respectively, with the pension cost to the company amounting to £19,494 (2022 £19,387). Contributions amounting to £1,471 (2022 £1,412) were payable to the scheme at the year end and are included in creditors.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**18 Restricted Funds**

	At 1st April 2022	Receipts in year	Transfers to Profit and loss in year	At 31st March 2023
	£	£	£	£
Job Retention Scheme	-	16,902	(16,902)	-
Other revenue grants	-	-	-	-
Other capital grants	59,828	-	(16,244)	43,584
Blueprint project	<u>862,512</u>	<u>-</u>	<u>(25,719)</u>	<u>836,793</u>
	<u>922,340</u>	<u>16,902</u>	<u>(58,865)</u>	<u>880,377</u>

Job Retention Scheme is the grant funding from the UK Government to support the jobs of those employees furloughed and flexible furloughed as a result of the Covid-19 pandemic restrictions. The receipt shown is the release of the clawback provision made in the previous year.

Other capital grants represent grants received from funders that in order to help finance the acquisition of certain fixed assets. Each funding agreement will have its own conditions attached to the use of the funding in relation to the fixed asset.

The Blueprint project represents grants received from the Welsh European Funding Office and Merthyr Tydfil County Borough Council in relation to the organisation's European Objective 1 Blueprint project to expand its resources and services for the training, development and creation of employment opportunities for blind, partially sighted and disabled persons throughout South Wales.

*Previous year*

	At 1st April 2021	Receipts in year	Transfers to Profit and loss in year	At 31st March 2022
	£	£	£	£
Job Retention Scheme	-	31,937	(31,937)	-
Other revenue grants	-	11,000	(11,000)	-
Other capital grants	28,539	53,689	(22,400)	59,828
Blueprint project	<u>888,251</u>	<u>-</u>	<u>(25,739)</u>	<u>862,512</u>
	<u>916,790</u>	<u>96,626</u>	<u>(91,076)</u>	<u>922,340</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**19 Unrestricted Funds**

	At 1st April 2022	Movement in year	At 31st March 2023
	£	£	£
Capital and charitable reserve	479,351	(9,550)	469,801
Profit and loss account	<u>1,582,383</u>	<u>37,489</u>	<u>1,619,872</u>
	<u>2,061,734</u>	<u>27,939</u>	<u>2,089,673</u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 116,882

469,801

*Previous year*

	At 1st April 2021	Movement in year	At 31st March 2022
	£	£	£
Capital and charitable reserve	476,931	2,420	479,351
Profit and loss account	<u>1,608,900</u>	<u>(26,517)</u>	<u>1,582,383</u>
	<u>2,085,831</u>	<u>(24,097)</u>	<u>2,061,734</u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 126,432

479,351

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**20 Analysis of net assets between funds**

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	880,377	58,010	363,326	1,301,713
Stocks	-	67,187	58,299	125,486
Debtors	-	376,473	(187,137)	189,336
Investments	-	21,433	1,302,610	1,324,043
Cash at bank and in hand	-	116,545	195,883	312,428
Creditors	-	(169,847)	(113,109)	(282,956)
<b>At 31st March 2023</b>	<b>880,377</b>	<b>469,801</b>	<b>1,619,872</b>	<b>2,970,050</b>

*Previous year*

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	922,340	58,010	327,744	1,308,094
Stocks	-	67,187	61,640	128,827
Debtors	-	376,473	(65,874)	310,599
Investments	-	22,276	1,318,206	1,340,482
Cash at bank and in hand	-	125,252	35,526	160,778
Creditors	-	(169,847)	(94,859)	(264,706)
<b>At 31st March 2022</b>	<b>922,340</b>	<b>479,351</b>	<b>1,582,383</b>	<b>2,984,074</b>

Providing disabled and disadvantaged people the opportunity of sustained employment

Notes to the financial statements for the year ended 31st March 2023

## 21 Transactions with Trustees and Related Parties

No fees, emoluments or expenses were paid to Trustees during the year (2022: £ Nil)

During the year the charity was not involved in any transactions with organisations associated with people who are directors of the charity.

## 22 Status of the company

The company is limited by guarantee and has no share capital. The liability of each member under guarantee is limited to £1.

## 23 Capital Commitments

At the year end the charity had no capital commitments.

## 24 Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds	(14,024)	(18,547)
Add back depreciation charge	88,663	79,281
Deduct profit on disposal of fixed assets	-	(1,017)
Deduct interest income shown in investing activities	(25,802)	(20,251)
Deduct gains/ add back losses on investments	843	(1,770)
Decrease (increase) in stock	3,341	(39,992)
Decrease (increase) in debtors	51,905	(107,963)
Increase (decrease) in creditors	87,608	22,028
<b>Net cash provided by operating activities</b>	<b>192,534</b>	<b>(88,230)</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2023

**25 Comparative Statement of Financial Activities**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
<b>Income and endowments from:</b>			
Donations and legacies	38	-	38
Charitable activities	1,700,760	96,626	1,797,386
Investments	20,251	-	20,251
<b>Total income and endowments</b>	<u>1,721,049</u>	<u>96,626</u>	<u>1,817,675</u>
<b>Expenditure on:</b>			
Charitable activities	1,795,055	42,937	1,837,992
<b>Total expenditure</b>	<u>1,795,055</u>	<u>42,937</u>	<u>1,837,992</u>
Net gains/(losses) on investments	1,770	-	1,770
<b>Net income/(expenditure)</b>	(72,236)	53,689	(18,547)
Transfer between funds	48,139	(48,139)	-
<b>Net movement in funds</b>	(24,097)	5,550	(18,547)
<b>Reconciliation of Funds</b>			
Total funds brought forward	2,085,831	916,790	3,002,621
<b>Total funds carried forward</b>	<u>2,061,734</u>	<u>922,340</u>	<u>2,984,074</u>

**MERTHYR TYDFIL INSTITUTE FOR THE BLIND**

England & Wales - Charity number 1007270

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# Accounts

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Providing disabled and disadvantaged people the opportunity of sustained employment



# The Merthyr Tydfil Institute for the Blind

*Annual Report for the year ended  
31<sup>st</sup> March 2022*



Unit 4, Triangle Business Park, Pentrebach, Merthyr Tydfil, CF48 4TQ

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Providing disabled and disadvantaged people the opportunity of sustained employment

<b>CONTENTS</b>	<b>Page</b>
<b>Trustees Report</b>	<b>3</b>
<b>Independent report of the Auditors</b>	<b>18</b>
<b>Statement of financial activities</b>	<b>22</b>
<b>Profit and loss account</b>	<b>23</b>
<b>Balance sheet</b>	<b>24</b>
<b>Statement of Cash Flows</b>	<b>25</b>
<b>Notes to the financial statements</b>	<b>26</b>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2022

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## OBJECTIVES AND ACTIVITIES

### Purpose of The Merthyr Tydfil Institute for the Blind

The Merthyr Tydfil Institute for the Blind (MTIB) is a registered charity providing cost effective training, development and employment opportunities for persons with disabilities and those who are disadvantaged, economically inactive or unemployed. The Charity achieves this through a delicate balancing of the commercial demands on the organisation with the social ethos of providing employment and training opportunities for its clients.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

MTIB's aim is to provide people who have disabilities, or are disadvantaged, economically inactive or unemployed, the opportunity for sustained employment.

The main areas of charitable activity are the operation of a Supported Business, via a wood working manufacturing unit at Pentrebach, Merthyr Tydfil, servicing the UK furniture industry that directly employs disabled and disadvantaged persons, along with an Employment and Training Department, which delivers programmes that support the employment of persons with disabilities and health conditions, along with those that are disadvantaged, economically inactive or unemployed within mainstream employment throughout South Wales.

The Supported Business provided sustained direct employment for an average of 43 (2021, 41) disabled persons within a commercial manufacturing environment with an average of 3 (2021, 9) hosted to local employers. Employees are encouraged to engage in training activities to expand and develop their skills in areas such as ICT to benefit themselves and the organisation. In addition, the manufacturing unit is used to offer work trials and work placement opportunities to clients seeking to gain experience within a work environment, which include those with learning disabilities who access the local council's Day Care Services, as well as students at local schools and colleges.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Administration of the Employment and Training Department also operates from the Pentrebach site and directly employed an average of 8 (2021 8) disabled persons during the year. The Department matches disabled and disadvantaged clients seeking to gain or retain employment with mainstream 'Host' employers and provides a wide range of supported work opportunities that meet the differing needs of people with disabilities, whilst reflecting the demands of the local labour market. MTIB offers a range of support to both employers and employees including practical help, such as, a job trainer, job coach, mentoring from colleagues as well as advice and awareness help to the employer and employees, along with financial support to the employer. All support activities are focused with the goal of creating and sustaining the employment of the disabled client.

The main programmes delivered during the year include the Restart and Jobsense contracts, which started in July and September 2021 respectively, the WCVA Active Inclusion projects, the remainder of the Employability Skills Programme and our Local Authority SLA Reach Up. The Supported Business contract continues to be funded via Access to Work under the Transitional Employer Support Grant (TESG). This funding model has been extended until end of March 2023 with a possible further extension to March 2024.

During the year we secured a subcontract with Serco to deliver the DWP Restart programme, supporting disadvantage persons back into employment. We have already experienced changes to the contract and the onerous compliance regime, however, the Team has performed well to meet the contract compliance and performance targets, regularly being in the top quartile of the supply chain. Additionally, our 25-month EU funded Jobsense project, supporting those with sight and/or hearing impairment in South and West Wales started in September 2021. We deliver the project in a collaborative consortium with 3 other likeminded third sector providers of employment support to disable and disadvantaged people. The MTIB Team have performed very well to date, already over achieving on the job outcome target.

Both our WCVA Active Inclusion projects support disabled, disadvantaged and economically inactive people. Our W&les project was successfully completed in June 2021. The second project, Mantais started as the Covid-19 lockdown hit the UK in March 2020. Despite the challenges last year under the difficult circumstances, the team has continued to perform well to meet the performance levels. Client engagement increased following the easing of Covid-19 restrictions. Consequently, our Mantais project achieved 97% of our engagement target (95 of 98) and we have successfully negotiated a contract extension to December 2022 with additional funding, so we are confident in our ability to meet all project targets.

Our Employability Skills Contract (ESP), delivered for the Welsh Government via ITEC and PeoplePlus finished during the year, which focused more on those closer to the labour market and more recently out of work. The end date of the contract was September 2021 for referrals, with delivery until early 2022. During the period we engaged with 17 individuals across the ESP contracts with 5 job outcomes. All remaining outcomes have been claimed and we are awaiting the final payment.

We continue to provide much needed training, development and work placement opportunities to people with severe learning disabilities in the Merthyr Area and following a retender of the Reach Up contract with Merthyr Tydfil CBC, we successfully secured the contract until March 2024.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

During the year, 369 disabled and disadvantaged people were supported by MTIB via its training and employment contracts, achieving and sustaining a total of 123 jobs.

Our Restart contract supported 131 customers gaining 29 jobs to date, with our WCVA Active Inclusion projects supporting 125 individuals in the period of which 35 entered employment. Jobsense engaged with 15 sensory impaired clients and successfully secured 3 jobs, which was very encouraging for this client group.

Our Reach Up project supported 32 individuals with learning disabilities, with 26 sustaining volunteer placements following the pandemic, along with 2 new jobs and 4 maintaining Supported Permitted Work in the period.

Since April 2019, MTIB's disabled and disadvantaged employees within the Supported Business have originally been funded by the replacement 3-year Transitional Employment Support Grant (TESG) via Access to Work (AtW) up to March 2022. This funding has since been extended to March 2023 with a further extension to March 2024 pending. During the year our Supported Business directly supported an average of 50 individuals on the TESG programme with 3 new starters in the period.

MTIB's clients are provided with the opportunity to participate within our programmes at their chosen level. MTIB's provision facilitates a progressive process, from entry via a directly employed supportive manufacturing environment, through assessment, training and development in specific skill areas, through to the opportunity for placement with a 'Host' employer. Eventually, by tapering support, those who are able, can be fully integrated into mainstream employment. An important feature of MTIB's delivery is that individuals can enter the programme at any stage, to suit their own particular needs and abilities and reap the attendant benefits associated with gaining, retaining and sustaining employment.

There is no charge for our services to the client or 'Host' employer. Eligibility for our services is restricted to persons with disabilities and those disadvantaged, economically inactive and unemployed persons as defined by the individual programmes we deliver. Demand for our services continues to be high especially as the gap between the employment of disabled persons compared to non-disabled remains stubbornly high. MTIB's consistent proactive approach over the years of successfully over providing on its contracts, has to date facilitated our ability to support each eligible client that has been referred to us. MTIB also continues to expand and develop the services that it is able to provide in line with the varying needs of our clients. However, where client's requirements would be better served through another provider, we refer the client to them where appropriate.

We ensure our activities deliver our aims by reviewing our aims, objectives and activities each year via our business planning process. This review looks at what we achieved and the outcome of our work in the previous 12 months. The review looks at the success of each key activity and the benefits brought to those groups of people we are set up to help. This helps us to ensure our aims, objectives and activities remained focused on our stated purposes.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The training, development and support we provide to create and sustain employment opportunities for our clients is always focused on the individual to ensure that the client's health condition is not adversely affected by their employment and is monitored on a regular basis. In addition, any changes in financial circumstances affected by employment are considered with the necessary agencies, so that clients can make an informed decision.

All members of the Board give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 21 to the accounts.

## STRATEGIC REPORT

### ACHIEVEMENTS AND PERFORMANCE

As the Covid-19 restrictions have eased during the year MTIB has continued to successfully meet the increased customer demand, utilising the flexible furlough facility to September 2021, where all relevant staff have now successfully returned to working on site. As with most organisations the home working requirement during the pandemic has seen MTIB adopt more flexible working from home practices with relevant staff where agreed, which importantly has ensured continuity of delivery of our employment and training contracts.

Furthermore, MTIB's continued membership of the Supported Business Steering Group (SBSG) with DWP provided our ability to lobby DWP and agree the support services and evidence requirements, to enable TSEG funding to continue to be claimed for our furloughed employees. Moreover, MTIB were instrumental in securing a further extension of TSEG funding to 31<sup>st</sup> March 2023, which continues provide the transitional funding while a new funding model is developed and implemented.

Having successfully delivered our W&les WCVA Active Inclusion project, which finished in June 2021, MTIB successfully agreed an extension and extra funding for its Mantais project to December 2022. Furthermore, we successfully secured a further 18-month contract to March 2024 of the amalgamated service provision contract from MTCBC 's Day Care services.

MTIB's remaining outcome payments were successfully achieved from our subcontract with ITEC and PeoplePlus to deliver the Welsh Government's Employment Support Programme (ESP), which has now been completed and awaiting final payments.

MTIB's focus on securing the existing income from its contracts, whilst securing new ones, coupled with ability to increase manufacturing capability as customer demand increased, has helped us to maintain and develop our products and services. However, there still remains more work to be done each-year, especially as many employment and training contracts are of 18-24 month duration.

However, the fact that MTIB is able to secure and deliver these contracts continues to justify the Board's decision to invest in securing our staff resources, whilst replacement contracts are secured in order to demonstrate our ability to successfully deliver. Our aim has partly been achieved by securing a subcontract with Serco to deliver DWP's new Restart programme which started from July 2021 and the EU funded Jobsense project through our

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

collaborative consortium partners via the Welsh European Funding Office. Consequently, we will continue to perpetuate this course of action with the goal of generating further income wherever possible.

The forecast budget for the year was a loss of £78,830, due mainly to the delay in the commencement of replacement employment and training contracts, Restart and Jobsense, along with the uncertain sales demand from our commercial activities in a climate of increasing costs, without any further government Covid-19 support.

Through our focus on maximising income from our employment and training contracts as well as generating sales opportunities within the manufacturing unit, whilst controlling costs, the loss was reduced to £26,518 as per the profit and loss account shown at page 23, (£12,815 surplus, 2021). This was an encouraging result, as it demonstrated the success of our efforts as we emerged post Covid-19, to the new business as usual and the realisation that MTIB had survived the considerable challenges that Covid-19 presented.

Within the manufacturing unit, the management has continued to focus on a targeted marketing strategy to generate sales opportunities and secure material supply in a climate of volatile price increases, whilst improving production effectiveness and efficiency where possible.

Consequently, sales income from the manufacturing business increased to £851,657, (£577,274, 2020/21), representing a 47.5% increase on the Covid-19 restricted previous year, resulting in a 44.5% increase in added value. The encouraging sales were mainly due to a build back of demand from existing and new customers for existing products, along with our new offering of office furniture services.

The Employment and Training Department performed well during the year commencing the 2 new contracts of Restart and Jobsense, whilst completing one of the WCVA Active inclusion contracts and extending the other with further funding to December 2022. The remaining outcome income was generated from the ESP contracts and since the year end, the Merthyr Tydfil CBC contract has been secured to March 2024. Consequently, overall financial performance achieved within the department was very encouraging, realising a surplus of around £82k.

Within the manufacturing unit, we continue to focus on improvements to ensure its continued long-term viability. The aim remains for it to achieve a break-even position and then generate a surplus, so as to become less reliant on funding, which is ever reducing. Additionally, the Employment and Training department needs to continue to successfully secure and deliver contracts to maintain its contribution to the organisation, especially where contract opportunities are less prevalent. The Board and Management Team continue to review performance and activities, whilst seeking replacement funding from various other sources so that financial stability can be fully realised. To this end, MTIB has made representation to local authorities regarding inclusion in their UK Shared Prosperity Fund (UKSPF) plans, which is the funding available to bridge the gap between the end of EU funds and its UK successor programme. To date we have firm commitment that we are in the plans of Merthyr Tydfil CBC with a funding allocation for 2 years from April 2023, so we are awaiting confirmation from the UK Government following its recent Autumn Statement.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The charity's main objectives for the year were to recover the financial performance of the manufacturing unit post Covid-19 and to successfully deliver its Employment and Training contracts, by aiming to maximise related outputs and financial return from all contracts. Additionally, to successfully commence and deliver all its contracts, whilst further developing and expanding MTIB's training resources and facilities seeking to secure and deliver further replacement employment and training contract income. This has been achieved through the successful commencement of the Restart and Jobsense contracts and securing an allocation of UKSPF funding with Merthyr Tydfil CBC, which will be vital income for the organisation over the next two years to replace that lost from the EU as a consequence of Brexit.

During the year, we have continued to deliver quality services to our disabled and disadvantaged customers incorporating online activities introduced as a result of Covid-19 and have secured continued funding income. The ability of our staff to successfully adapt and be flexible in delivering the various contracts secured, has resulted in a performance that has facilitated our survival throughout this most challenging of years, whilst developing future opportunities.

Our objectives focus on the need to develop and expand our training resources and facilities to secure and deliver employment related training. MTIB has met its objective to successfully deliver its employment and training contracts by maximising the outputs and related income from all contracts. Additionally, we have successfully extended funding for our last WCVA Active inclusion project, successfully started the Restart and Jobsense contracts and successfully completed our subcontracts for the Welsh Government's Employment Support Programme. All contracts are performing well supported by our continued recognition of holding our Investors in People accreditation and that of Matrix.

We have also met our objective to improve the effectiveness and efficiency of the Supported Business manufacturing unit, increasing sales and added value beyond that of pre Covid-19 levels and increase the training and employment opportunities for our disabled and disadvantaged workforce. MTIB has also maintained its FSC accreditation following audit and notably secured preferred supplier place on Welsh Water's office furniture framework through our collaboration with Ministry of Furniture, both of which will allow more access to potential business.

Matters regarding Finance, Business Development and Business Operations are reported on at full board meetings, since the board decided to dispense with sub committees. This has proved a more effective way of conducting the business of the organisation, as all Trustees are updated on all progress and developments, whilst ensuring that meetings can take place should some be unable to attend. Additionally, the CEO provides regular updates to the board via email, whilst, there is also the flexibility to hold extra meetings in addition to the scheduled board meetings to discuss and address any specific issues that arise.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Board structure

The board and executive management were satisfied with the results during the year considering the circumstances, but are also acutely aware of the challenge to generate future contract income, since the end of EU funds following Brexit. Consequently, they will continue to utilise the business planning process to manage the organisation. In conjunction with the involvement of all staff, they reviewed the strategic direction and agreed a Business Plan for 2022/23, agreeing to commit to maintain staff levels to March 2023, by utilising reserves, whilst new contract income is sought and secured, but will reassess should there be any further developments.

### Training, development and personnel

The training and development of MTIB's disabled and disadvantaged clients is a key aspect of the organisation's employment and training delivery. The Board and Management are committed to strive for continual improvement of the quality of all of MTIB's services, whilst increasing the training, development and employment opportunities to disabled, disadvantaged, economically inactive and unemployed persons. The facilities and resources made available through the legacy of the Blueprint Project continues to help the realisation of this goal by providing enhanced work-based training, assessment and ICT training services, which, not only allow more clients the chance to take up employment opportunities, but also provide further opportunities to develop the organisation in the future.

The securing of new contracts and extensions to existing ones during the year, all contribute to the delivery of employability training for those disabled, disadvantaged, economically inactive or unemployed clients seeking to improve their skills, gain qualifications and develop their employment opportunities.

Our focus on our Core Values, communication and the development support of our people, have all been major contributory factors to MTIB's ability to cope with the issues by the Covid-19 pandemic and to successfully adapt to meet the challenges it presented.

During the year, all staff continued to be regularly updated on the developments of the business throughout the pandemic, with all furloughed employees regularly contacted to provide them with updates and well-being support where required. MTIB's Core Values and Management Behaviours have helped to reinforce a positive organisational culture towards change, where all employees have stated that they are prepared to adapt to meet future requirements in order to face the challenges ahead. As such, the Board and Management believe that the continual development of positive working relationships between all employees has resulted in a more effective business operation, which has again been evidenced by this year's performance.

### Supported Business Protected Places

MTIB continued to effectively utilise the 90 places on our Supported Business contract, which was extended to 31<sup>st</sup> March 2021 and subsequently to 31<sup>st</sup> March 2023, under the new DWP Access to Work TSEG scheme (Transitional Employer Support Grant).

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

This resulted in an average of 50 individuals (49, 2021) being directly employed by MTIB. In addition, a further 319 (140, 2021) persons with disabilities were supported by MTIB with the aim of achieving sustainable mainstream employment

Of those engaged in 2021/22, MTIB's support provided ongoing or new employment for 123 (2021, 89) individuals during the period.

MTIB's continued flexibility and proactive approach to the delivery of all its contracts has ensured that we have successfully maximised the outputs and related income to the end of contracts (WCVA and ESP). Consequently, we have achieved high levels of contract quality and performance, which has built MTIB an excellent track record that has allowed us to take advantage of future contract opportunities.

### Income

MTIB's WCVA, the new Resatart and Jobsense contracts, along with the Supported Business TSEG grant via DWP's Access to Work programme, have been the main sources of income, where the objectives were to achieve their planned outputs in order to obtain the maximum funding. During the year, output related income has been maximised where possible and the Supported Business contract has been extended to 31st March 2023. The Merthyr Tydfil CBC contract was also extended during the year, along with securing extra funding and extension to our remaining WCVA contract to December 2022. Furthermore, MTIB's ESP subcontracts with ITEC and Peopleplus were complete during the year. However, apart from the 4-year RESTART subcontract, all these contracts are relatively short term, so further funding streams will need to be secured as EU funds are no longer available. Progress has already been achieved with our UKSPF allocation within the plans of Merthyr Tydfil CBC, which is awaiting imminent confirmation from the UK government.

Also, we continue our efforts to reduce costs and increase sales within the Supported Business to secure MTIB's future viability. Our place on the NPS Office and Educational Furniture framework has already presented opportunities where we are collaborating with another socially minded organisation to bid jointly on future contract opportunities.

Further potential opportunities are currently being explored with the DWP, JCP, WCVA and Welsh Government programmes amongst others, but are less developed, due to the uncertainties of funders' priorities within the current economic climate.

We continue to cultivate and develop our relationships and services with Merthyr Tydfil CBC, securing an extension to our existing contract to 31<sup>st</sup> March 2024 and inclusion within the local authority's UKSPF planned allocation. In addition, as a member of the Supported Business Alliance, MTIB sits on the Supported Business Steering Group with the British Association of Supported Employment (BASE) working with DWP, which has secured transitional funding for Supported Businesses from April 2019 to March 2023 and are awaiting confirmation of a further extension to 31<sup>st</sup> March 2024. As a consequence, the group will continue its work with DWP to develop a mechanism for future funding from April 2024.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### **FINANCIAL REVIEW**

#### **Results and principal activities**

The profit and loss account for the period is set out on page 23. The retained loss for the period of £26,518 (£12,815 surplus, 2020/21) has been transferred to reserves. The principal activities of the company are the provision of supported employment, training and development for disabled persons and those who are disadvantaged, economically inactive or unemployed.

#### **Review of business and future developments**

Both the level of business and the year end financial position were satisfactory considering the challenging circumstances. The Trustees are satisfied that there are plans in place to secure opportunities of replacement contract income following the end of existing contracts and have committed to maintain the level of staff, whilst covering any shortfall to March 2022 using reserves, with regular reviews up to that date.

#### **Principal Funders**

MTIB's principal funders were WCVA via our 2 existing WCVA Active Inclusion projects, our new Restart and Jobsense contracts, as well as AtW TEGS Funding. All other contracts are smaller in value and for shorter durations of between 12 to 18 months, besides the contract with Merthyr Tydfil County Borough Council Adult Services Department, which although low value, has persisted for many years in one form or another.

#### **Reserves policy**

MTIB aims to retain sufficient free reserves to ensure that commitments made to providing services to disabled persons can be made with confidence. The Trustees believe that the value of reserves needed equates to 12 months of the resources expended, excluding materials. The free reserves figure used is calculated as the total of unrestricted reserves less those related to fixed assets, which are compared to the forecast expenditure for the following year. At 31st March 2022 free reserves were £1,675,980 (2021: £1,747,857), which is 13 months of the forward resources expended, excluding materials.

The ongoing effects of Covid-19, Brexit, the Energy Crisis and the attendant increase in inflation and cost of living on the future economic climate, provide continued uncertainty of our ability to generate the required level of income from our Employment and Training contracts to cover the Supported Business, which although improved, still trades at a deficit. Consequently, our excess reserves will be utilised to cover periods where income does not cover expenditure, so that service to our disabled employees and customers can be maintained until replacement income or cost reductions are implemented.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Investment policy

The Trustees have wide investment powers and adopted a risk adverse policy to investments. The investments, shown in note 13 to the accounts, have been made in the Charities Official Investment Fund which provides income and the opportunity for capital growth on the investment

### Risk review

Key risks within MTIB have been identified and a contingency plan is set out within the Business Plan each year. The Board and management team have set in place systems to mitigate these risks and continue to evaluate and monitor them.

One of the main risks to the business is to achieve the minimum performance levels of all its employment and training contracts to ensure that there is no risk of losing them, even with those that have less financial impact due to their relatively lower value. However, the potential resultant undesirable loss in reputation is why MTIB prioritises efforts to ensure that contract quality and performance levels are met and strive to exceed them where possible. This is achieved by ensuring our staff are skilled, focussed, motivated and supported with the necessary resources to successfully deliver all our contracts.

Due to the ending of EU funding following Brexit, MTIB's current WCVA and Jobsense contract will end in December 2022 and September 2023 respectively, with no framework for employment contract/programme opportunities to replace previous EU funded programmes. The UK Government has developed the UK Shared Prosperity Fund (UKSPF) to be administered by local authorities throughout the UK, for the 2-year period to Mar 2025. MTIB, marketed its services and has successfully been included in the plans of Merthyr Tydfil CBC with an indicative allocation of funding over the 2 years. However, due to the recent turmoil within the UK Government and Autumn Statement, we are waiting for confirmation of the allocation to local authorities and that to MTIB. The risk is that MTIB will have no replacement employment and training contracts beyond September 2023, so as usual we will keep up to date of potential opportunities as they arise. The expected recession and rise in unemployment will likely provide further opportunities either within our existing Restart subcontract or new programmes. Should the UKSPF not be realised, to help bridge the funding gap, MTIB will consider its options depending on the circumstances at the time.

As a result of the energy crisis, MTIB's latest forecast for gas and electricity are set to rise from £45k to £113k pa from April 2023, so we await imminent details of any Government Energy Bill Relief Scheme support to help partly reduce our exposure. Therefore, MTIB is investigating investment options to generate energy and waste cost savings.

Operating within a commercial environment there is a considerable risk of our manufacturing unit not being able to improve its financial performance from its current loss, especially with the future uncertainties surrounding the forecast recession for 2023. Consequently, senior management focus efforts on developing existing and new customers, along with identifying new opportunities. This is complimented by concerted efforts to control costs, whilst reviewing and implementing production efficiencies to ensure financial improvements are achieved.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Underpinning the potential negative financial effects of the risks highlighted above is our level of free reserves, which would allow the business time to assess the situation and implement a plan of recovery, in the best interests of our disabled workforce.

## Employment policy

The company has an equal opportunity policy, which it adopts within its operating environment of Supported Employment.

## Pay policy for Key Management Personnel

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team are considered to be those stated below within the Directors, Trustees, Members and Chief Officers section.

All trustees give their time freely and no trustee received remuneration in the year. Details of wage costs of key management personnel and trustees' expenses including related party transactions are disclosed in notes 9 and 21 respectively, to the accounts.

Senior management pay and staff pay is based on market rates and aligned to the National Minimum Wage. An inflationary rise is awarded upon the discretion of the Trustees following consideration of the aforementioned comparators and where funds are available. Increments and bonuses may be awarded; however, they are not automatic and are given at the discretion of the Chief Executive and the Board of trustees.

## Political and charitable donations

The company has made no political or charitable donations.

## CONCLUSION AND PLANS FOR THE FUTURE

During the year, we have made good progress as the restrictions have eased and emerged with promising business demand, having adapted well to the challenges presented by the Covid-19 pandemic. We have secured continued income from the sponsors of our employment and training contracts and used our close relationships with our commercial customers to maintain and generate new business opportunities for the future.

New Supported Business commercial opportunities have been developed bringing the potential for new customers, new markets along with new skills to be learnt, which provides a good platform on which to build. MTIB's facilities and resources, coupled with the commitment and flexibility of our workforce, will give us the opportunity to fully realise the required recovery to drive the business forward.

The Board and Management believe that the development of the business planning process has continued to help us lead the business following the Covid-19 crisis and has ensured that everyone is focussed on delivering the business objectives, which has been an

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

important factor in our continuing success to date.

2021/22 has been another challenging year, where we have had to draw on the skills, resourcefulness, flexibility, adaptability and resilience of our staff to maintain the employment of our disabled workforce and continue to deliver the invaluable services to disabled and disadvantaged persons within South Wales. This has been mainly due to the strong commercial demand within the Supported Business, the Employment and Training Team successfully achieving delivery of contracts during the year and management securing the Restart Serco subcontract and Jobsense project, along with the opportunity of UKSPF post year end. However, we must not be complacent as we need to build on production efficiencies and realise the increased sales opportunities to generate our own income to become less reliant on ever decreasing funding. Additionally, the employment and training contracts are for relatively short durations, so will need to be replaced when completed. We will continue to adapt and develop our services, focusing our efforts to meet the requirements of any new contract opportunities. As a result, we can continue to demonstrate our excellent track record of delivery and performance to commissioners, ensuring that additional contracts are secured.

We are focused on delivering our existing contracts, whilst seeking to secure future contracts, as well as delivering further significant improvements in the financial performance of the manufacturing unit.

MTIB's involvement with DWP with the Supported Business Steering Group will have a major impact on MTIB. As such, we will continue our involvement and monitor developments closely, promoting MTIB's services to DWP, JCP, potential prime contractors, MPs and AMs, in order to influence and position ourselves in the best interests of our disabled employees, clients and organisation. However, the future develops, the Board are committed to make every effort to secure the future of the business and continue to develop our services of providing training and employment opportunities for persons with disabilities and health conditions and those who are disadvantaged, economically inactive and unemployed. Consequently, we look forward to meeting the challenges ahead during MTIB's centenary year 2022/23 and beyond.

## **STRUCTURE GOVERNANCE AND MANAGEMENT**

### **Status**

The organisation is a charitable company limited by guarantee, incorporated on 31st October 1991 and registered as a charity in June 1923.

The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected annually at the AGM.

Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Governance of the Charity

Matters, regarding Finance, Business Development and Business Operations are reported on at regular full board meetings. Day to day management of MTIB is the responsibility of the Chief Executive Officer, who reports directly to the Trustees and is in regular contact with the Chairman to discuss any issues that arise, where it may require a Board meeting to be convened.

### Recruitment and appointment of Trustees

Periodically the board will decide whether new Trustees need to be recruited to bring knowledge and experience within specific areas required by the business. Nominations are invited from existing Trustees, which are discussed by the board in order to review the respective nominee's credentials. Successful candidates, approved by the board, are then formally invited to become a trustee. Following acceptance, the new trustee receives an induction regarding all aspects of the organisation by the executive management and meets key employees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

## REFERENCE AND ADMINISTRATIVE INFORMATION

### Secretary and registered office

R A Welfoot

Unit 4 Triangle Business Park  
Pentrebach  
Merthyr Tydfil  
CF48 4TQ

Company registration number : 2659355

Charity registration number : 1007270

### Statutory auditors

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

### Solicitors

Hugh James  
Hodge House  
114-116 St Mary Street  
Cardiff  
CF10 1DY

Carbon Law Partners  
Creative Quarter  
Morgan Arcade  
Cardiff  
CF101AF

### Bankers

Lloyds Bank plc  
69 High Street  
Merthyr Tydfil  
CF47 8AD

Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Directors, Trustees, members and chief officers

The directors and members, who are also Trustees, and chief officers of the company during the period were:-

#### Directors and Trustees:

Mr G Meredith (Chairman)  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis  
Mrs J Morgan (appointed 30<sup>th</sup> March 2022)

#### Members:

Mr G Meredith  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis  
Mrs J Morgan (appointed 30<sup>th</sup> March 2022)

#### Principal Officers/Key Management Personnel:

Mr R A Welfoot	Chief Executive Officer & Company Secretary
Mrs P Kennedy	Deputy Chief Executive Officer
Mrs M Davies	Employment & Training Manager
Mr A Phillips	Manufacturing Manager
Mr A Hall	Human Resources Manager
Mr E Silburn	Commercial Manager
Mr A Trythall	ICT Officer

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Statement of directors' responsibilities

The trustees (who are also directors of The Merthyr Tydfil Institute for the Blind for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### By order of the board

R A Welfoot  
Company Secretary



Date: 14/12/2022

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

We have audited the financial statements of The Merthyr Tydfil Institute for the Blind (the "Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 of 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 charity 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Providing disabled and disadvantaged people the opportunity of sustained employment

**Independent Auditors' Report to the Trustees of  
The Merthyr Tydfil Institute for the Blind**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Sarah Case FCA DChA**  
**Senior Statutory Audit**  
**Azets Audit Services**  
Chartered Accountants  
Statutory Auditor

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Date: 21-12-2022

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Statement of financial activities for the year ended 31st March 2022

	Note	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
<b>Income and endowments from:</b>					
Donations and legacies	3	38	-	38	2,973
Charitable activities	4	1,700,760	96,626	1,797,386	1,598,270
Investments	5	20,251	-	20,251	27,881
<b>Total income and endowments</b>		<u>1,721,049</u>	<u>96,626</u>	<u>1,817,675</u>	<u>1,629,124</u>
<b>Expenditure on:</b>					
Charitable activities	6	1,795,055	42,937	1,837,992	1,646,569
<b>Total expenditure</b>		<u>1,795,055</u>	<u>42,937</u>	<u>1,837,992</u>	<u>1,646,569</u>
<i>Net gains/(losses) on investments</i>	13	1,770	-	1,770	3,512
<b>Net income/(expenditure)</b>	8	<u>(72,236)</u>	<u>53,689</u>	<u>(18,547)</u>	<u>(13,933)</u>
Transfers between funds	18	48,139	(48,139)	-	-
<b>Net movement in funds</b>		<u>(24,097)</u>	<u>5,550</u>	<u>(18,547)</u>	<u>(13,933)</u>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	18, 19	2,085,831	916,790	3,002,621	3,016,554
<b>Total funds carried forward</b>	18, 19 & 20	<u>2,061,734</u>	<u>922,340</u>	<u>2,984,074</u>	<u>3,002,621</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 26 to 41 form part of the financial statements.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

**Profit and loss account for the year ended 31st March 2022**

	Notes	2022	2021
		£	£
<b>Turnover</b>	4	<b>851,657</b>	577,274
Raw materials and change in stocks	6	<u>(389,606)</u>	<u>(257,611)</u>
<b>Trading Profit</b>		<b>462,051</b>	319,663
Other operating income	4	73,856	363,685
Other operating charges	6	(243,202)	(225,212)
Other staff costs	6	<u>(523,318)</u>	<u>(465,440)</u>
		<b>(230,613)</b>	(7,304)
Wage cost of disabled Supported Business employees	6	<b>(430,677)</b>	(504,680)
Grant income related to disabled Supported Business employees	4	<b>276,426</b>	324,658
Employment & Training Programmes staff costs	6	<b>(202,850)</b>	(158,658)
Employment & Training Programmes income	4	<b>541,758</b>	332,154
		<u>(45,956)</u>	(13,830)
<b>Operating profit</b>	8	<b>(45,956)</b>	(13,830)
Interest payable and similar charges	7	(201)	(635)
Interest receivable and similar income		<b>19,639</b>	27,280
		<u>(26,518)</u>	<u>12,815</u>
<b>Retained profit on ordinary activities for the financial year</b>	19	<u><b>(26,518)</b></u>	<u>12,815</u>

All the activities of the charitable company are classed as continuing. There is no material difference between the profit for the financial year stated above and its historical cost equivalent.

The notes on pages 26 to 41 form part of the financial statements.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Balance sheet as at 31st March 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	<u>1,308,094</u>	1,254,764
<b>Total Fixed Assets</b>		<u><b>1,308,094</b></u>	<u>1,254,764</u>
<b>Current assets</b>			
Stocks	11	128,827	88,835
Debtors	12	310,599	202,636
Investments	13	1,340,482	1,268,931
Cash at bank and in hand	14	160,778	430,132
<b>Total Current Assets</b>		<u><b>1,940,686</b></u>	<u>1,990,534</u>
<b>Liabilities</b>			
Creditors falling due within one year	15	<u>(264,706)</u>	<u>(242,677)</u>
<b>Net current assets</b>		<u><b>1,675,980</b></u>	<u>1,747,857</u>
<b>Net assets</b>		<u><u><b>2,984,074</b></u></u>	<u><u>3,002,621</u></u>
<b>The funds of the charity:</b>			
Unrestricted income funds	19	2,061,734	2,085,831
Restricted income funds	18	922,340	916,790
<b>Total charity funds</b>	20	<u><u><b>2,984,074</b></u></u>	<u><u>3,002,621</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31<sup>st</sup> March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give true and fair view of the state affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors on 14<sup>th</sup> December 2021 and were signed on its behalf by:

  
Garry Meredith  
Chairman

  
Lisa Mytton  
Director

The notes on pages 26 to 41 form part of the financial statements.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

**Statement of Cash Flows for year ended 31st March 2022**

	<b>Note</b>	<b>2022</b> £	<b>2021</b> £
<b>Net cash provided by (used in) operating activities</b>	24	<u><b>(88,231)</b></u>	<u><b>(3,028)</b></u>
<b>Cash flows from investing activities:</b>			
Interest income		<b>20,251</b>	27,881
Purchase of tangible fixed assets		<b>(132,611)</b>	(79,702)
Prior Year adjustment to fixed assets		-	-
Proceeds from the disposal of fixed assets		<b>1,017</b>	-
Proceeds from investments		<u><b>1,770</b></u>	<u>3,512</u>
<b>Net cash provided by (used in) investing activities</b>		<u><b>(109,573)</b></u>	<u><b>(48,309)</b></u>
<b>Cash flows from financing activities:</b>		-	-
<b>Net cash provided by (used in) financing activities</b>		<u><b>-</b></u>	<u><b>-</b></u>
Change in cash and cash equivalents in the reporting period		<u><b>(197,804)</b></u>	<u><b>(51,337)</b></u>
Cash and cash equivalents at the beginning of the year		<u><b>1,699,063</b></u>	<u>1,750,400</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><b>1,501,259</b></u>	<u>1,699,063</u>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2022

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

#### Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Presentation of the accounts on a going concern basis

The charity reported a net unrestricted outflow of £24,097 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

#### Taxation

As a registered charity, The Merthyr Tydfil Institute for the Blind is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

#### Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2022

### 1 Accounting policies (continued)

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

#### **Government grants**

The charity has received government grants in the reporting period.

#### **Contractual income and performance related grants**

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

#### **Legacies**

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

#### **Tax reclaims on donations and gifts**

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

#### **Donations**

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

#### **Volunteer help**

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

#### **Income from interest**

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

#### **Settlement of insurance claims**

Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP) and are included as an item of other income in the SoFA.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2022

### 1 Accounting policies (continued)

#### Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### Expenditure Recognition and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### Support costs

The charity has incurred expenditure on support costs.

#### Governance and support costs

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

#### Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

#### Grants payable without performance conditions

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2022

### 1 Accounting policies (continued)

#### Redundancy cost

The charity made no redundancy payments during the reporting period.

#### Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

#### Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost. The depreciation rates and methods used are noted below:

Freehold land and buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Fixtures and fittings	20%

#### Stocks and work in progress

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

#### Current asset investments

They are valued at fair value except where they qualify as basic financial instruments.

#### Cash at Bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

#### Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

#### Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2022

### 1 Accounting policies (continued)

#### Deferred income

No material item of deferred income has been included in the accounts.

#### Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS 102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS 102 SORP.

#### Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

#### Pension scheme

Contributions are made to the Rhondda Cynon Taf County Borough Council Pension Fund, which is a defined benefit scheme, in respect of certain employees. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effectiveness of variations from regular cost is spread over the expected average remaining service lives of members of the scheme. The company also provides contributions to a defined contribution Work Place Pension administered by Peoples Pension.

### 2 Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**3 Income from Donations and Legacies**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Donations	38	-	38	2,973
	<u>38</u>	<u>-</u>	<u>38</u>	<u>2,973</u>

**4 Income from Charitable Activities**

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
<b>Sales, contracts, grants and fundraising</b>				
<b>Sales</b>	851,657	-	851,657	577,274
<b>Fundraising</b>	0	-	0	0
<b>Supported Business and Placement Scheme</b>				
Access to Work TESS Grant	233,089	-	233,089	279,658
Merthyr Tydfil CBC SLAs	45,000	-	45,000	45,000
WG Economic Resilience Grant	9,303	-	9,303	83,723
Coronavirus Job Retention Scheme	-	31,938	31,938	276,995
WCVA Active Inclusion contract	236,700	-	236,700	198,050
RESTART contract	177,017	-	177,017	-
JOBSense contract	87,648	-	87,648	-
Specialist Employment Support contract	-	-	-	10,093
Employment Support Programme Contract	38,730	-	38,730	124,011
	<u>827,487</u>	<u>31,938</u>	<u>859,425</u>	<u>1,017,530</u>
<b>Other grant</b>				
Third Sector Resilience Fund Capital Grant	-	5,000	5,000	-
Third Sector Resilience Fund Revenue Grant	-	9,500	9,500	-
Social Business Growth Fund Capital Grant	-	40,389	40,389	-
VAMT Staff Welfare Revenue Grant	-	1,500	1,500	-
DWP Access to Work Grant	-	8,299	8,299	499
DWP Access to Work Income	21,616	-	21,616	2,967
	<u>21,616</u>	<u>64,688</u>	<u>86,304</u>	<u>3,466</u>
<b>Total</b>	<u>1,700,760</u>	<u>96,626</u>	<u>1,797,386</u>	<u>1,598,270</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**5 Income from Investments**

	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Interest and rental income	20,251	-	20,251	27,881
	<u>20,251</u>	<u>-</u>	<u>20,251</u>	<u>27,881</u>

**6 Expenditure on Charitable Activities**

**Manufacturing, contracts, grants and fundraising**

	Fundraising £	Supported Employment Business & Training £	Blueprint Governance Project £	£	2022 Total £	2021 Total £
<b>Costs directly allocated to activities</b>						
Staff Costs	-	430,677	502,219	-	932,896	918,906
Travel & Subsistence	-	400	907	-	1,307	3,696
Vehicle running costs	-	13,792	4,625	-	18,417	15,107
Materials	-	389,606	-	-	389,606	257,611
Manufacturing costs	-	136,567	-	-	136,567	128,218
Fundraising events	-	-	-	-	-	0
Donations and beneficiary costs	-	-	-	-	-	0
Administrative costs	-	14,263	-	-	14,263	6,407
Legal & Professional	-	-	-	6,000	6,000	8,665
Depreciation	-	38,491	8,419	32,371	79,281	66,260
Promotion & Advertising	-	64	-	-	64	199
	-	<u>1,023,860</u>	<u>516,170</u>	<u>32,371</u>	<u>6,000</u>	<u>1,578,401</u>
<b>Support costs allocated to activities (Overhead apportionment)</b>						
Staff Costs	-	111,975	111,974	-	223,949	209,873
Premises	-	5,276	5,275	-	10,551	8,082
Administrative costs	-	11,018	11,017	-	22,035	20,263
Legal & Professional	-	1,528	1,528	-	3,056	3,282
	-	<u>129,797</u>	<u>129,794</u>	-	<u>259,591</u>	<u>241,500</u>
<b>Total</b>	-	<u>1,153,657</u>	<u>645,964</u>	<u>32,371</u>	<u>6,000</u>	<u>1,837,992</u>

**7 Interest payable and similar charges**

	2022 £	2021 £
Amounts payable in relation to bank and finance charges	<u>201</u>	<u>635</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**8 Operating Profit**

	2022	2021
	£	£
<b>Operating profit is stated after (crediting)/charging:</b>		
Depreciation charge for the year on tangible owned fixed assets	79,281	66,260
Auditors' remuneration	5,925	8,590
	<b>85,206</b>	<b>74,850</b>

**9 Staff Costs and Numbers**

**Key Management Personnel**

The key management personnel of the charity are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £301,092 (2021: £283,790). The emoluments of one member of staff, including benefits in kind, are within the range of £70,000 to £79,999 (2021 – one in the range £60,000 to £69,999), not including retirement benefits, which are accruing under a defined benefit scheme.

The average weekly number of persons (excluding directors) employed by the company during the period was:

	2022	2021
	Number	Number
<b>By activity</b>		
Production	41	39
Selling and distribution	2	2
Administration	16	16
Placement Scheme	3	9
	<b>62</b>	<b>66</b>
<b>Staff costs (for the above persons)</b>	£	£
Wages and salaries	1,032,030	1,029,833
Social security costs	75,357	59,808
Other pension costs (see note 17)	49,458	39,137
	<b>1,156,845</b>	<b>1,128,778</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**10 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1st April 2021	1,693,209	546,473	85,103	127,421	2,452,206
Additions	-	115,073	6,500	11,038	132,611
Disposals	-	-	(22,217)	-	(22,217)
<b>At 31st March 2022</b>	<b>1,693,209</b>	<b>661,546</b>	<b>69,386</b>	<b>138,459</b>	<b>2,562,600</b>
<b>Depreciation</b>					
At 1st April 2021	536,400	478,384	55,776	126,882	1,197,442
Charge for the year	33,864	35,006	9,203	1,208	79,281
Disposals	-	-	(22,217)	-	(22,217)
<b>At 31st March 2022</b>	<b>570,264</b>	<b>513,390</b>	<b>42,762</b>	<b>128,090</b>	<b>1,254,506</b>
<b>Net book value</b>					
<b>At 31st March 2022</b>	<b>1,122,945</b>	<b>148,156</b>	<b>26,624</b>	<b>10,369</b>	<b>1,308,094</b>
At 31st March 2021	1,156,808	68,089	29,327	538	1,254,764

**11 Stocks**

	2022 £	2021 £
Raw materials and consumables	120,814	80,267
Work in progress	2,274	6,047
Finished goods	5,739	2,521
	<b>128,827</b>	<b>88,835</b>

**12 Debtors**

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	170,148	91,818
Other debtors	1,952	0
Prepayments and accrued income	138,499	110,818
	<b>310,599</b>	<b>202,636</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**13 Investments**

	2022	2021
	£	£
Charities Official Investment Fund (historical cost £1,144)	<b>22,278</b>	20,508
Fixed Rate Deposits	<b>1,318,204</b>	1,248,423
	<b><u>1,340,482</u></b>	<b><u>1,268,931</u></b>

**14 Cash at Bank and In Hand**

	2022	2021
	£	£
Cash at bank and in hand	<b>160,778</b>	430,132
	<b><u>160,778</u></b>	<b><u>430,132</u></b>

**15 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	<b>82,204</b>	99,515
Other taxation and social security costs	<b>54,583</b>	19,044
Other creditors	<b>7,483</b>	10,645
Accruals and deferred income	<b>120,436</b>	113,473
	<b><u>264,706</u></b>	<b><u>242,677</u></b>

**16 Financial Instruments**

	2022	2021
	£	£
<b>Carrying amount of financial assets</b>		
Investments measured at fair value	<b>1,340,482</b>	1,268,931
Debt instruments measured at amortised cost	<b>332,878</b>	521,950
	<b><u>1,673,360</u></b>	<b><u>1,790,881</u></b>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<b>89,686</b>	110,160
	<b><u>89,686</u></b>	<b><u>110,160</u></b>

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Notes to the financial statements for the year ended 31st March 2022

#### 17 Pension and similar obligations

The company participates in a pension scheme operated by Rhondda Cynon Taff County Borough Council providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out below, information available on the funding of the scheme and the implications for the company in terms of the anticipated contribution rates.

The total pension cost of the company was £30,071 (2021 £22,765). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31st March 2019. The assumptions that have the most significant effect on the valuation are those relating to discount rate set on the expected return on the fund assets and the rates of increase in salaries and pensions. It was assumed that the discount rate for active members would be 4.25% per annum and 4.25% per annum for members who have left the service; salary increases would average 3.35% per annum and that present and future pensions would increase at the rate of 2.1% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £3,458.6 million and the actuarial value of the assets was sufficient to cover 81% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will be 33.5% (2021 33.5%) and 9.9% (2021 8.5%) respectively. Contributions amounting to £1,925 (2021 £1,869) were payable to the scheme at the year end and are included in creditors.

The company set up a defined contribution Work Place Pension administered by Peoples Pension and started making contributions in May 2015. The contributions of the company and employees were 3% (2021 3%) and 5% (2021 5%) respectively, with the pension cost to the company amounting to £19,387 (2021 £16,372). Contributions amounting to £1,412 (2021 £1,327) were payable to the scheme at the year end and are included in creditors.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

Notes to the financial statements for the year ended 31st March 2022

**18 Restricted Funds**

	At 1st April 2021	Receipts in year	Transfers to Profit and loss in year	At 31st March 2022
	£	£	£	£
Job Retention Scheme	-	31,937	(31,937)	-
Other revenue grants	-	11,000	(11,000)	-
Other capital grants	28,539	53,689	(22,400)	59,828
Blueprint project	888,251	-	(25,739)	862,512
	<u>916,790</u>	<u>96,626</u>	<u>(91,076)</u>	<u>922,340</u>

Job Retention Scheme is the grant funding from the UK Government to support the jobs of those employees furloughed and flexible furloughed as a result of the Covid-19 pandemic restrictions.

Other capital grants represent grants received from funders that in order to help finance the acquisition of certain fixed assets. Each funding agreement will have its own conditions attached to the use of the funding in relation to the fixed asset.

The Blueprint project represents grants received from the Welsh European Funding Office and Merthyr Tydfil County Borough Council in relation to the organisation's European Objective 1 Blueprint project to expand its resources and services for the training, development and creation of employment opportunities for blind, partially sighted and disabled persons throughout South Wales.

*Previous year*

	At 1st April 2020	Receipts in year	Transfers to Profit and loss in year	At 31st March 2021
	£	£	£	£
Job Retention Scheme	-	276,995	(276,995)	-
Other capital grants	37,303	499	(9,263)	28,539
Blueprint project	913,320	-	(25,069)	888,251
	<u>950,623</u>	<u>277,494</u>	<u>(311,327)</u>	<u>916,790</u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

**Notes to the financial statements for the year ended 31st March 2022**

**19 Unrestricted Funds**

	<b>At 1st April 2021</b>	<b>Movement in year</b>	<b>At 31st March 2022</b>
	£	£	£
Capital and charitable reserve	476,931	2,420	479,351
Profit and loss account	<u>1,608,900</u>	<u>(26,517)</u>	<u>1,582,383</u>
	<u><u>2,085,831</u></u>	<u><u>(24,097)</u></u>	<u><u>2,061,734</u></u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 126,432

479,351

*Previous year*

	<b>At 1st April 2020</b>	<b>Movement in year</b>	<b>At 31st March 2021</b>
	£	£	£
Capital and charitable reserve	469,845	7,086	476,931
Profit and loss account	<u>1,596,086</u>	<u>12,814</u>	<u>1,608,900</u>
	<u><u>2,065,931</u></u>	<u><u>19,900</u></u>	<u><u>2,085,831</u></u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 124,012

476,931

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Notes to the financial statements for the year ended 31st March 2022

**20 Analysis of net assets between funds**

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	922,340	58,010	327,744	1,308,094
Stocks	-	67,187	61,640	128,827
Debtors	-	376,473	(65,874)	310,599
Investments	-	22,276	1,318,206	1,340,482
Cash at bank and in hand	-	125,252	35,526	160,778
Creditors	-	(169,847)	(94,859)	(264,706)
<b>At 31st March 2022</b>	<b>922,340</b>	<b>479,351</b>	<b>1,582,383</b>	<b>2,984,074</b>

*Previous year*

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	916,790	58,010	279,964	1,254,764
Stocks	-	67,187	21,648	88,835
Debtors	-	376,473	(173,837)	202,636
Investments	-	20,507	1,248,424	1,268,931
Cash at bank and in hand	-	124,601	305,531	430,132
Creditors	-	(169,847)	(72,830)	(242,677)
<b>At 31st March 2021</b>	<b>916,790</b>	<b>476,931</b>	<b>1,608,900</b>	<b>3,002,621</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

**Notes to the financial statements for the year ended 31st March 2022**

**21 Transactions with Trustees and Related Parties**

No fees, emoluments or expenses were paid to Trustees during the year (2021: £ Nil)

During the year the charity was not involved in any transactions with organisations associated with people who are directors of the charity.

**22 Status of the company**

The company is limited by guarantee and has no share capital. The liability of each member under guarantee is limited to £1.

**23 Capital Commitments**

At the year end the charity had no capital commitments.

**24 Reconciliation of net movement in funds to net cash flow from operating activities**

	2022	2021
	£	£
Net movement in funds	(18,547)	(13,933)
Add back depreciation charge	79,281	66,260
Deduct profit on disposal of fixed assets	(1,017)	-
Deduct interest income shown in investing activities	(20,251)	(27,881)
Deduct gains/ add back losses on investments	(1,770)	(3,512)
Decrease (increase) in stock	(39,992)	(21,295)
Decrease (increase) in debtors	(107,963)	(60,573)
Increase (decrease) in creditors	<u>22,028</u>	<u>57,906</u>
<b>Net cash provided by operating activities</b>	<u><u>(88,231)</u></u>	<u><u>(3,028)</u></u>

Providing disabled and disadvantaged people the opportunity of  
sustained employment

Notes to the financial statements for the year ended 31st March 2022

**25 Comparative Statement of Financial Activities**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
<b>Income and endowments from:</b>			
Donations and legacies	2,973	-	2,973
Charitable activities	1,583,272	14,998	1,598,270
Investments	27,881	-	27,881
<b>Total income and endowments</b>	<u>1,614,126</u>	<u>14,998</u>	<u>1,629,124</u>
<b>Expenditure on:</b>			
Charitable activities	1,646,569	-	1,646,569
<b>Total expenditure</b>	<u>1,646,569</u>	<u>-</u>	<u>1,646,569</u>
Net gains/(losses) on investments	3,512	-	3,512
<b>Net income/(expenditure)</b>	(28,931)	14,998	(13,933)
Transfer between funds	35,002	(35,002)	-
<b>Net movement in funds</b>	6,071	(20,004)	(13,933)
<b>Reconciliation of Funds</b>			
Total funds brought forward	2,065,931	950,623	3,016,554
<b>Total funds carried forward</b>	<u>2,072,002</u>	<u>930,619</u>	<u>3,002,621</u>

**MERTHYR TYDFIL INSTITUTE FOR THE BLIND**

England & Wales - Charity number 1007270

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# Accounts

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Providing disabled and disadvantaged people the opportunity of sustained employment



# The Merthyr Tydfil Institute for the Blind

*Annual Report for the year ended  
31<sup>st</sup> March 2021*



Unit 4, Triangle Business Park, Pentrebach, Merthyr Tydfil, CF48 4TQ

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*Providing disabled and disadvantaged people the opportunity of sustained employment*

<b>CONTENTS</b>	<b>Page</b>
<b>Trustees Report</b>	<b>3</b>
<b>Independent report of the Auditors</b>	<b>20</b>
<b>Statement of financial activities</b>	<b>24</b>
<b>Profit and loss account</b>	<b>25</b>
<b>Balance sheet</b>	<b>26</b>
<b>Statement of Cash Flows</b>	<b>27</b>
<b>Notes to the financial statements</b>	<b>28</b>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 March 2021

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## OBJECTIVES AND ACTIVITIES

### Purpose of The Merthyr Tydfil Institute for the Blind

The Merthyr Tydfil Institute for the Blind (MTIB) is a registered charity providing cost effective training, development and employment opportunities for persons with disabilities and those who are disadvantaged, economically inactive or unemployed. The Charity achieves this through a delicate balancing of the commercial demands on the organisation with the social ethos of providing employment and training opportunities for its clients.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

MTIB's aim is to provide people who have disabilities, or are disadvantaged, economically inactive or unemployed, the opportunity for sustained employment.

The main areas of charitable activity are the operation of a Supported Business, via a wood working manufacturing unit at Pentrebach, Merthyr Tydfil, servicing the UK furniture industry that directly employs disabled persons, along with an Employment and Training Department, which delivers programmes that support the employment of persons with disabilities and health conditions, along with those that are disadvantaged, economically inactive or unemployed within mainstream employment throughout South Wales.

The Supported Business provided sustained direct employment for an average of 41 (2020, 40) disabled persons within a commercial manufacturing environment with an average of 9 (2020, 8) hosted to local employers. Employees are encouraged to engage in training activities to expand and develop their skills in areas such as ICT to benefit themselves and the organisation. In addition, the manufacturing unit is used to offer work trials and work placement opportunities to clients seeking to gain experience within a work environment, which include those with learning disabilities who access the local council's Day Care Services, as well as students at local schools and colleges.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

Administration of the Employment and Training Department also operates from the Pentrebach site and directly employed an average of 8 (2020 8) disabled persons during the year. The Department matches disabled and disadvantaged clients seeking to gain or retain employment with mainstream 'Host' employers and provides a wide range of supported work opportunities that meet the differing needs of people with disabilities, whilst reflecting the demands of the local labour market. MTIB offers a range of support to both employers and employees including practical help, such as, a job trainer, job coach, mentoring from colleagues as well as advice and awareness help to the employer and employees, along with financial support to the employer. All support activities are focused with the goal of creating and sustaining the employment of the disabled client.

The main programmes delivered during the year include the Employability Skills Programme, WCVA Active Inclusion programmes and our Local Authority SLA Reach Up. The Supported Business contract continues to be funded via Access to Work under the Transitional Employer Support Grant or TSEG. This funding model has been extended until end of March 2022 with a possible further extension to March 2023.

Following on from our successful delivery of WCVA Active Inclusion projects, which support disabled, disadvantaged and economically inactive people, we started 2 new projects in 2020. Our W&les project started in January 2020 and our Mantais project in March 2020 with the projects finishing in June 2021 and March 2022 respectively. Our W&les project started well but slowed, as the second project, Mantais and the Covid-19 lockdown hit the UK in March 2020. Throughout the year the team performed well to meet the performance levels on these projects under the difficult circumstances. Delivery moved online with staff working from home for the majority of the year. The number of participants supported on the projects during the year was lower than we had expected, but the proportion of those moving into work was comparable with our targets, demonstrating that our interventions were appropriate, which enabled the achievement of sustainable outcomes. Our W&les project engaged with 40% of our planned target (32 individuals) but almost 80% achieved a positive outcome, where our target was 60%. Our Mantais project achieved 40% of our engagement target (18 of 45) but we have seen a dramatic increase towards the end of the year following the easing of Covid-19 restrictions and are in line to meet all project targets.

Our Employability Skills Contract (ESP), delivered for the Welsh Government via ITEC commenced in the summer of 2018 and in early 2020 we also started delivery of ESP for PeoplePlus. This contract focuses more on those closer to the labour market and more recently out of work. However, due to our specialism in supporting those with disabilities and health conditions, many of those supported by MTIB have additional barriers to employment. The contract was due to end in Sept 2020, but was extended for a few months at a time which meant that referrals reduced. At present, the end date of the contract is Sept 2021 for referrals with delivery until early 2022. During the period we have engaged with 50 individuals across the ESP contracts with 8 job outcomes to date. Considering the restrictions of the pandemic, this is seen as a good result, with customers still engaging into 2021/22 with further job outcomes expected. For a large part of 2020/21, delivery was mostly online / telephone with customers, where our staff worked from home as the Welsh Government restrictions did not allow face to face delivery.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

We continue to provide much needed training, development and work placement opportunities to people with severe learning disabilities in the Merthyr Area and following evaluation and review of support available since the outbreak of Covid-19 and the initial lockdown in March 2020, the Reach Up contract was further extended for another year until March 2022. The support moved from face to face and supported work placements to online, mail and telephone support for both participants and carers / parents, focussing on wellbeing and safety. Throughout the year we have maintained weekly contact with participants and offered a range of wellbeing and contact support for the individuals and their families.

During the year, almost 189 disabled and disadvantaged people were supported by MTIB via its training and employment contracts, achieving and sustaining a total of 89 jobs.

Our WCVA Active Inclusion projects supported 50 individuals in the period of which 22 entered employment.

Our Reach Up project supported 39 individuals with learning disabilities, with most sustaining volunteer placements albeit on hold due to the pandemic and 5 maintaining Supported Permitted Work in the period.

Our ESP contract (Employability Skills Programme for WG) supported 46 individuals of which 8 had entered employment by the end of March 2021 with further job outcomes expected in subsequent months.

Our Supported Business directly supported an average of 49 individuals on the TSEG programme with 5 new starters in the period.

Since April 2019, MTIB's disabled and disadvantaged employees within the Supported Business have originally been funded by the replacement 2 year Transitional Employment Support Grant (TESG) via Access to Work (AtW) up to March 2021. This funding has since been extended to March 2022 with a further extension to March 2023 pending. During the year our Supported Business directly supported an average of 49 individuals on the TSEG programme with 5 new starters in the period.

MTIB's clients are provided with the opportunity to participate within our programmes at their chosen level. MTIB's provision facilitates a progressive process, from entry via a directly employed supportive manufacturing environment, through assessment, training and development in specific skill areas, through to the opportunity for placement with a 'Host' employer. Eventually, by tapering support, those who are able, can be fully integrated into mainstream employment. An important feature of MTIB's delivery is that individuals can enter the programme at any stage, to suit their own particular needs and abilities and reap the attendant benefits associated with gaining, retaining and sustaining employment.

There is no charge for our services to the client or 'Host' employer. Eligibility for our services is restricted to persons with disabilities and those disadvantaged, economically inactive and unemployed persons as defined by the individual programmes we deliver. Demand for our services continues to be high especially as the gap between the employment of disabled persons compared to non-disabled remains stubbornly high. MTIB's consistent proactive approach over the years of successfully providing on its contracts, has to date facilitated

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

our ability to support each eligible client that has been referred to us. MTIB also continues to expand and develop the services that it is able to provide in line with the varying needs of our clients. However, where client's requirements would be better served through another provider, we refer the client to them where appropriate.

We ensure our activities deliver our aims by reviewing our aims, objectives and activities each year via our business planning process. This review looks at what we achieved and the outcome of our work in the previous 12 months. The review looks at the success of each key activity and the benefits brought to those groups of people we are set up to help. This helps us to ensure our aims, objectives and activities remained focused on our stated purposes.

The training, development and support we provide to create and sustain employment opportunities for our clients is always focused on the individual to ensure that the client's health condition is not adversely affected by their employment and is monitored on a regular basis. In addition, any changes in financial circumstances affected by employment are considered with the necessary agencies, so that clients can make an informed decision.

All members of the Management Committee give their time voluntarily and received no benefits from the charity. Any expenses reclaimed from the charity are set out in note 21 to the accounts.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

## Trustees' Report

### STRATEGIC REPORT

#### ACHIEVEMENTS AND PERFORMANCE

Following the first Covid-19 lockdown at the end of March 2020, MTIB immediately and successfully implemented our business interruption plan as the operation at Pentrebach was shut down to safeguard the health of our employees, clients and customers. Staff home working was set up where required in order to service the participants of our Employment and Training contracts. Our proactive initiative ensured that we could demonstrate to our funders, the online support services that we could provide and evidence under the lockdown of face to face meeting restrictions. Consequently, we were able to agree and secure continued contract funding to maintain the level of services, while restrictions were in place, across all our contracts.

We developed the ability to manufacture selected healthcare products within our portfolio to meet the customer demand of our commercial customers. A skeleton staff were chosen based on their skills to undertake the manufacturing, working under Covid-19 secure protocols based on the latest government guidance. Some areas within the facility were reassigned to cater for the required safe social distancing measures, along with appropriate flow of movement, signage, hygiene stations, PPE and cleaning regimes implemented.

MTIB utilised the Job Retention scheme and secured funding from the Welsh Government's Economic Resilience Fund to support the reduction in business demand, which was an essential lifeline for the business. As customer demand increased we either brought back staff from furlough or utilised the flexible furlough facility. Since the end of furlough scheme in Sept 2021, all eligible staff have successfully returned to working on site, with some having the flexibility to work from home where agreed.

Furthermore, MTIB's continued membership of the Supported Business Steering Group (SBSG) with DWP provided our ability to lobby DWP and agree the support services and evidence requirements, to enable TESSG funding to continue to be claimed for our furloughed employees. Moreover, MTIB were instrumental in securing an extension of TESSG funding to 31<sup>st</sup> March 2022, which continues provide the transitional funding while a new funding model is developed and implemented.

MTIB successfully agreed the services level with its funders of its 2 WCVA Active Inclusion Contracts which started in January and March 2020 respectively. Furthermore, we successfully secured a further 12 month extension to March 2022 of the amalgamated service provision contract from MTCBC 's Day Care services.

MTIB's remaining outcomes payments were successfully achieved from our Specialist Employment Support (SES) Programmes, subcontracted with Shaw Trust and 3SC/RNC, which have now been completed.

Additionally, MTIB has successfully delivered a subcontract with ITEC to deliver the Welsh Government's Employment Support Programme (ESP) from September 2018, which was originally extended to 31st March 2021 and was further extended to 30<sup>th</sup> September 2021.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

MTIB's focus on securing the existing income from its contracts during the pandemic restrictions and the support from the Job Retention Scheme, along with that of the Welsh Government's Economic Resilience Fund, coupled with ability to continue manufacturing with a skeleton crew of staff and then build back as customer demand increased, has effectively helped us to maintain and develop our services. However, there still remains more work to be done each year, especially as many contracts are of 18-24 month duration.

However, the fact that MTIB is able to secure and deliver these contracts continues to vindicate the Board's decision to invest in securing our staff resources, whilst replacement contracts are secured in order to demonstrate our ability to successfully deliver. Our aim has partly been achieved since the year end by securing a subcontract to deliver DWP's new Restart programme from July 2021, so we will continue to perpetuate this course of action with the goal of generating further income wherever possible.

The forecast budget for the year was a loss of £176,446, due mainly to The Welsh Government's decision not to award contracts following its Working Wales procurement process. MTIB had negotiated volumes and geographic delivery areas to subcontract within the supply chain of the main prime contractors in the tender process, but unfortunately lost out as the contracts were not procured by Welsh Government. Consequently, MTIB concentrated on maximising income from its existing contracts, whilst endeavouring to secure others where available, as well as securing sales within the manufacturing unit and controlling costs.

Through our efforts and the support from the Job Retention Scheme along with the Welsh Government's Economic Resilience Fund, a surplus was achieved of £12,815 as per the profit and loss account shown at page 25, (£39,072 loss, 2020). This was a very pleasing result, as it demonstrated the success of our business interruption plan implementation and the positive and constructive relationships with our funders to generate and secure employment and training contract income as well as continue manufacturing throughout, in order to survive the considerable challenges of Covid-19 restrictions.

Within the manufacturing unit, the management has continued to focus on a targeted marketing strategy to generate sales opportunities, whilst improving production effectiveness and efficiency, where possible under the Covid-19 Regime.

Consequently, sales income from the manufacturing business unit was £577,274, (£631,887, 2019/20), representing only an overall 8.6% reduction compared to the previous year, resulting in a 14% reduction in added value, which was encouraging considering the Covid Lock down at the beginning of the year. The encouraging sales was mainly due to a build back of customer demand in the latter half of the year and our supply chain involvement in the delivery of the office furniture solution for Transport for Wales' new headquarters in Pontypridd from September to December 2020.

Although the Employment and Training Department lost the planned income from the Working Wales Programme that was cancelled by Welsh Government, 2 Further WCVA Active inclusion contracts were secured just before the start of the year and extra outcome income was generated from the extended ESP contract, whilst securing another with Peopleplus. Since then, we have gained a Restart contract with Serco and EU funding to deliver the Jobsense project in collaboration with 3 other charitable organisation for people

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

with sensory impairment.

Consequently, overall financial performance achieved was very encouraging, realising a small surplus of around £20k, considering the impact of the Covid-19 pandemic.

Within the manufacturing unit, we continue to focus on improvements to ensure its continued long-term viability. The aim remains for it to achieve a break-even position and then generate a surplus, so as to become less reliant on funding, which is ever reducing. Additionally, the Employment and Training department needs to continue to successfully secure and deliver contracts to maintain its contribution to the organisation, especially where contract opportunities are less prevalent. The Board and Management Team continue to review performance and activities, whilst seeking replacement funding from various other sources so that financial stability can be fully realised. To this end, MTIB initially secured subcontract opportunities with potential prime contractors on the new DWP Framework and subsequently secured a subcontract with SERCO for the delivery of the Restart Programme from July 2021.

The charity's main objectives for the year were originally to continue to improve the financial performance of the manufacturing unit and to successfully deliver its Employment and Training contracts, by aiming to maximise related outputs and financial return from all contracts. Additionally, to successfully deliver the latest WCVA, ESP and MTCBC contracts, whilst further developing and expanding MTIB's training resources and facilities seeking to secure and deliver further employment and training contract income to replace lost contract income. However, the advent of the Covid-19 pandemic forced the organisation into survival mode, which through the considerable efforts of management and staff have not only ensured our survival, but has also generated future opportunities.

During the year, we have continued to deliver quality services to our disabled and disadvantaged customers by adapting to online activities that have secured continued funding income. The ability of our staff to successfully adapt and be flexible in delivering the various contracts secured, has resulted in a performance that has facilitated our survival throughout this most challenging of years, whilst developing future opportunities.

Our objectives focus on the need to develop and expand our training resources and facilities to secure and deliver employment related training. MTIB has met its objective to successfully deliver its employment and training contracts by maximising the outputs and related income from all contracts under the Covid-19 imposed restrictions. Additionally, we have successfully started 2 WCVA Active inclusion projects and continued to successfully deliver a subcontract for the Welsh Government's Employment Support Programme, whilst gaining another during the year. All contracts performing well considering the circumstances, supported by our continued recognition as an Agored Cymru (OCN) accredited centre. We also continue to hold our Investors in People accreditation and that of Matrix, which was re-accredited in March 2020.

We have also met our objective to improve the effectiveness and efficiency of the Supported Business manufacturing unit, despite the reduction in financial performance due to the impact of Covid-19. MTIB has also maintained its FSC accreditation following audit and notably secured a place on Lot 3 of the NPS Framework for Office and Educational Furniture, both of which will allow more access to potential business.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

We built on our ESP and MTCBC contracts, whilst gaining another 2 WCVA Active Inclusion projects, which generated income for the Employment and Training Department during the year.

Simultaneously, we forged strong links with all the potential primes in the competition to secure a place on DWP's new Framework for the delivery of Employment Programs and subsequently secured a 4-year subcontract for the delivery of the Restart program with Serco from July 2021. Additionally, since the year end we have secured a contract to deliver our EU funded Jobsense project in collaboration with 3 like-minded charitable organisations, to support people with sensory impairment into employment.

Matters regarding Finance, Business Development and Business Operations are reported on at full board meetings, since the board decided to dispense with sub committees. This has proved a more effective way of conducting the business of the organisation, as all Trustees are updated on all progress and developments, whilst ensuring that meetings can take place should some be unable to attend. Additionally, the CEO provides regular updates to the board via email, whilst, there is also the flexibility to hold extra meetings in addition to the scheduled board meetings to discuss and address any specific issues that arise.

## Board structure

The board and executive management were satisfied with the results during the year considering the circumstances, but are also acutely aware of the challenge to generate future contract income, since the further delay of the Job Support Programme. Consequently, they will continue to utilise the business planning process to manage the organisation. In conjunction with the involvement of all staff, they reviewed the strategic direction and agreed a Business Plan for 2021/22, agreeing to commit to maintain staff levels to March 2022, by utilising reserves, whilst new contract income is sought and secured, but will reassess should there be any further developments.

## Training, development and personnel

The training and development of MTIB's disabled clients is a key aspect of the organisation's employment and training delivery. The Board and Management are committed to strive for continual improvement of the quality of all of MTIB's services, whilst increasing the training, development and employment opportunities to disabled, disadvantaged, economically inactive and unemployed persons. The facilities and resources made available through the legacy of the Blueprint Project continues to help the realisation of this goal by providing enhanced work-based training, assessment and ICT training services, which, not only allow more clients the chance to take up employment opportunities, but also provide further opportunities to develop the organisation in the future.

This has been evidenced by building on our ESP subcontract with ITEC whilst adding another with Peopleplus, to support disadvantaged unemployed people with significant barriers to employment to train and gain employment. Furthermore, despite the Covi-19 restrictions, MTIB successfully delivered the two new WCVA Active Inclusion projects covering West Wales and the Valleys, which started in January and March 2020, which will run until June 2021 and March 2022 respectively. Our SES contracts with Shaw Trust and that with 3SC/RNC have maximised the remainder of the outcome payments available

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Trustees' Report

following the completion of the contracts during the year and we also secured an extension of our contract with MTCBC to March 2022. Since the year end we have secured also secured the Restart subcontract and Jobsense project highlighted above. All contracts deliver employability training for those disabled, disadvantaged, economically inactive or unemployed clients seeking to improve their skills, gain qualifications and develop their employment opportunities.

MTIB has continued to successfully achieve its OCN accreditation, which importantly provides our ability to develop and deliver training qualifications, as it adds considerable value to the service that MTIB can provide to our clients. This is invaluable as it facilitates the successful delivery of our contracts and allows MTIB to market these skills to other training and employment programme sponsors.

Our focus on our Core Values, communication and the development support of our people, have all been major contributory factors to MTIB's ability to cope with the restrictions of the Covid-19 pandemic and to successfully adapt to meet the challenges it brings.

During the year, all staff continued to be regularly updated on the developments of the business throughout the pandemic, with all furloughed employees regularly contacted on at least a weekly basis to provide them with updates, advice on keeping safe and well-being support where required. MTIB's Core Values and Management Behaviours have helped to reinforce a positive organisational culture towards change, where all employees have stated that they are prepared to adapt to meet future requirements in order to face the challenges ahead.

The Board and Management believe that the continual development of positive working relationships between all employees has resulted in a more effective business operation, which has again been evidenced by this year's performance.

### Supported Business Protected Places

MTIB continued to effectively utilise the 90 places on our Supported Business contract, which was extended to 31<sup>st</sup> March 2021 and subsequently to 31<sup>st</sup> March 2022, under the new DWP Access to Work TSEG scheme (Transitional Employer Support Grant).

This resulted in an average of 49 individuals (50, 2020) being directly employed by MTIB. In addition, a further 140 (244, 2020) persons with disabilities were supported by MTIB with the aim of achieving sustainable mainstream employment

Of those engaged in 2020/21, MTIB's support provided ongoing or new employment for 89 (2020, 146) individuals during the period.

MTIB's continued flexibility and proactive approach to the delivery of all its contracts has ensured that we have successfully maximised the outputs and related income to the end of contracts (WCVA and SES). Consequently, we have achieved high levels of contract quality and performance, which has built MTIB an excellent track record that has allowed us to take advantage of future contract opportunities, such as Restart and Jobsense in 2021.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Income

MTIB's WCVA and ESP contracts have been the main sources of income, where the objectives were to achieve its planned outputs in order to obtain the maximum funding. During the year, output related income has been maximised where possible and the Supported Business contract has been extended to 31st March 2022. The MTCBC contract was also extended during the year, along with securing 2 extra WCVA contracts from January and March 2020 to June 2021 and Mar 2020 respectively. Furthermore, MTIB's ESP subcontract with ITEC along with another gained towards the end of 2020/21 with Peopleplus, have been extended to September 2021. However, all these contracts are relatively short term, so further funding streams will need to be secured. Some progress has already been achieved with the 4-year Restart subcontract with Serco and the EU funded Jobsense Project.

Also, we will continue efforts to reduce costs and increase sales within the Supported Business to secure MTIB's future viability. Our place on the NPS Office and Educational Furniture framework has already presented opportunities where we are collaborating with another socially minded organisation to bid jointly on future contract opportunities.

Further potential opportunities are currently being explored with the DWP, JCP, WCVA and Welsh Government programmes amongst others.

We continue to cultivate and develop our relationships and services with the local authority and have secured a contract extension with Merthyr Tydfil County Borough Council to 31<sup>st</sup> March 2022. In addition, as a member of the Supported Business Alliance, MTIB sits on the Supported Business Steering Group with the British Association of Supported Employment (BASE) working with DWP, which has secured transitional funding for Supported Businesses from April 2019 to March 2022 and are awaiting confirmation of a further extension to 31<sup>st</sup> March 2023. As a consequence, the group has is currently working with DWP to develop a mechanism for future funding from April 2023.

## **FINANCIAL REVIEW**

### **Results and principal activities**

The profit and loss account for the period is set out on page 25. The retained surplus for the period of £12,815 (£39,072 loss, 2019/20) has been transferred to reserves. The principal activities of the company are the provision of supported employment, training and development for disabled persons and those who are disadvantaged, economically inactive or unemployed.

### **Review of business and future developments**

Both the level of business and the year end financial position were satisfactory considering the challenging circumstances. The Trustees are satisfied that there are plans in place to secure opportunities of replacement contract income following the end of existing contracts and have committed to maintain the level of staff, whilst covering any shortfall to March 2022 using reserves, with regular reviews up to that date.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Principal Funders

MTIB's principal funders were WCVA via our 2 existing and 2 new Active Inclusion projects, our ESP sub contracts with ITEC and Peopleplus and AtW TESSG Funding. All other contracts are smaller in value and for shorter durations of between 12 to 18 months, besides the contract with Merthyr Tydfil County Borough Council Adult Services Department, which although low value, has persisted for many years in one form or another.

### Reserves policy

MTIB aims to retain sufficient free reserves to ensure that commitments made to providing services to disabled persons can be made with confidence. The Trustees believe that the value of reserves needed equates to 12 months of the resources expended, excluding materials. The free reserves figure used is calculated as the total of unrestricted reserves less those related to fixed assets, which are compared to the forecast expenditure for the following year. At 31st March 2021 free reserves were £1,747,857 (2020: £1,775,232), which is 14 months of the forward resources expended, excluding materials.

As the ongoing effects of Covid-19 on the future economic climate are uncertain with regards to the ability generate the required level of income from our Employment and Training contracts and the fact that the Supported Business is currently trading at a deficit, these excess reserves will be utilised to cover periods where income does not cover expenditure, so that service to our disabled employees and customers can be maintained until replacement income or cost reduction are implemented.

### Investment policy

The Trustees have wide investment powers and adopted a risk adverse policy to investments. The investments, shown in note 13 to the accounts, have been made in the Charities Official Investment Fund which provides income and the opportunity for capital growth on the investment

### Risk review

Key risks within MTIB have been identified and a contingency plan is set out within the Business Plan each year. The Board and management team have set in place systems to mitigate these risks and continue to evaluate and monitor them.

One of the main risks to the business is to achieve the minimum performance levels of all its employment and training contracts to ensure that there is no risk of losing them, even with those that have less financial impact due to their relatively lower value. However, the potential resultant undesirable loss in reputation is why MTIB prioritises efforts to ensure that contract quality and performance levels are met and strive to exceed them where possible. This is achieved by ensuring our staff are skilled, focussed, motivated and supported with the necessary resources to successfully deliver all our contracts.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

Due to the postponement of the Welsh Government's Employment programme, initially to April 2020 and then to April 2021, which was subsequently cancelled, then the significant risk identified over the last 3 years of not having a significant contract to replace previous income was realised. Consequently, a Board meeting was quickly convened, where the trustees agreed to utilise reserves where necessary while replacement income and contracts are secured. Once again that decision was vindicated by MTIB securing the 4-year Restart subcontract and the Jobsense project since the year end.

Operating within a commercial environment there is a considerable risk of our manufacturing unit not being able to improve its financial performance from its current loss, especially with the future uncertainties surrounding Covid-19. Consequently, senior management focus efforts developing existing and new customers, along with identifying new opportunities. This is complimented by concerted efforts to control costs, whilst reviewing and implementing production efficiencies to ensure financial improvements are achieved.

Underpinning the potential negative financial effects of the risks highlighted above is our level of free reserves, which would allow the business time to assess the situation and implement a plan of recovery, in the best interests of our disabled workforce.

## Coronavirus pandemic outbreak

Initially, following the first Covid-19 lockdown at the end of March 2020, MTIB shut down its operation at Pentrebach to safeguard the health of our employees, who were all furloughed. Our business interruption plan was quickly implemented to set up staff to undertake home working where required. Following consultation with our commercial customers and contract sponsors we developed the ability to manufacture selected healthcare products within our portfolio to meet customer demand in addition to servicing participants on our employment and training programmes. Skeleton staff were chosen based on their skills to undertake the manufacturing and employment support activity required. On site, Covid-19 secure processes and procedures were issued based on the latest government guidance. Some areas within the facility have been reassigned to cater for the required safe social distancing measures, along with appropriate flow of movement, signage, hygiene stations, PPE and cleaning regimes implemented.

MTIB utilised the Job Retention scheme and Welsh Government's Economic Resilience Fund to support the reduction in business demand. As customer demand increased we have either brought back staff from furlough or utilised the flexible furlough facility. Since the end of furlough scheme in Sept 2021, all eligible staff have successfully returned to working on site, with some having the flexibility to work from home where agreed.

We were fortunate that only one of MTIB's customers has ceased trading, with the majority returning to a reasonable level of demand, whilst those in the health market have continued to show strong demand. Additionally, MTIB participated in the supply chain to deliver the office furniture solution for Transport for Wales' new head office in Pontypridd, which has also contributed to the increased sales from October to December 2020.

During the year, MTIB also secured a place on Welsh Government's National Procurement Services Framework Reserved Lot 3 for Office and Educational furniture, where we have generated valuable relationships with other furniture suppliers with the aim to develop

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

opportunities in their supply chains, which will add new manufacturing capabilities and markets for the business. Also, after securing inclusion in the supply chains of potential primes, the DWP new procurement framework for employment services in 2020, subsequently secured a subcontract with SERCO commencing in July 2021 to deliver DWP's new Restart Programme. Additionally, we started the 2 new WCVA contracts during the year and have subsequently secured inclusion in our collaborative delivery of our EU funded, via the Welsh Government, Jobsense project for people with Sensory Impairment for West Wales. Consequently, our previous cautious optimism has proved correct, but we cannot be complacent as the future effects of Covid-19 on the economic climate and our ability to deliver contracts and generate income is still uncertain.

## Employment policy

The company has an equal opportunity policy, which it adopts within its operating environment of Supported Employment.

## Pay policy for Key Management Personnel

The trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The senior management team are considered to be those stated below within the Directors, Trustees, Members and Chief Officers section.

All trustees give their time freely and no trustee received remuneration in the year. Details of wage costs of key management personnel and trustees' expenses including related party transactions are disclosed in notes 9 and 21 respectively, to the accounts.

Senior management pay and staff pay is based on market rates, aligned to the National Joint Workshops for the Blind and with consideration of local authority scales. An inflationary rise is awarded upon the discretion of the Trustees following consideration of the aforementioned comparators and where funds are available. Increments and bonuses may be awarded; however, they are not automatic and are given at the discretion of the Chief Executive and the Board of trustees.

## Political and charitable donations

The company has made no political or charitable donations.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### **CONCLUSION AND PLANS FOR THE FUTURE**

During the year, we have adapted well to the challenges presented by the Covid-19 pandemic. We have secured continued income from the sponsors of our employment and training contracts and use our close relationships with our commercial customers to maintain and regain business demand following the initial lockdown restrictions. Together with our utilisation of the Job Retention Scheme and Welsh Government's Economic Resilience Fund, MTIB has not only survived the worst times of the pandemic, but also developed new opportunities for the future.

New Supported Business commercial opportunities have been developed bringing the potential for new customers, new markets along with new skills to be learnt, which provides a good platform on which to build. MTIB's facilities and resources, coupled with the commitment and flexibility of our workforce, will give us the opportunity to fully realise the required recovery to drive the business forward.

The Board and Management believe that the development of the business planning process has continued to help us lead the business out of the Covid-19 crisis and has ensured that everyone is focussed on delivering the business objectives, which has been an important factor in our continuing success to date.

2020/21 has been a challenging year, like no other, where we have had to draw on the skills, resourcefulness, flexibility, adaptability and resilience of our staff to maintain the employment of our disabled workforce and continue to deliver the invaluable services to disabled and disadvantage persons within South Wales. This has been mainly due to the strong 'bounce back' of commercial demand within the Supported Business, the Employment and Training Team successfully achieving online delivery of contracts during the year and management securing the Restart Serco subcontract and Jobsense project post year end. However, we must not be complacent as we need to build on production efficiencies and realise the increased sales opportunities to generate our own income to become less reliant on ever decreasing funding. Additionally, the employment and training contracts are for relatively short durations so will need to be replaced when completed. We will continue to adapt and develop our services, focusing our efforts to meet the requirements of any new contract opportunities. As a result, we can continue to demonstrate our excellent track record of delivery and performance to commissioners, ensuring that additional contracts are secured.

We are focused on delivering our existing contracts, along with those secured post year end, whilst seeking to secure future contracts, as well as delivering further significant improvements in the financial performance of the manufacturing unit.

MTIB's involvement with DWP with the Supported Business Steering Group will have a major impact on MTIB. As such, we will continue our involvement and monitor developments closely, promoting MTIB's services to DWP, JCP, potential prime contractors, MPs and AMs in order to influence and position ourselves in the best interests of our disabled employees, clients and organisation. However the future develops, the Board are committed to make every effort to secure the future of the business and continue to develop our services of providing training and employment opportunities for persons with disabilities and health conditions and those who are disadvantaged, economically inactive and unemployed. Consequently, we look forward to meeting the challenges ahead during 2021/22 and beyond

*Providing disabled and disadvantaged people the opportunity of sustained employment*

## Trustees' Report

### STRUCTURE GOVERNANCE AND MANAGEMENT

#### Status

The organisation is a charitable company limited by guarantee, incorporated on 31st October 1991 and registered as a charity in June 1923.

The company was established under a Memorandum of Association, which sets out the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the members of the Management Committee are elected annually at the AGM.

#### Governance of the Charity

The board has decided that the subcommittee structure is no longer required, where matters regarding Finance, Business Development and Business Operations are reported on at regular full board meetings. Day to day management of MTIB is the responsibility of the Chief Executive Officer, who reports directly to the Trustees and is in regular contact with the Chairman to discuss any issues that arise, where it may require a Board meeting to be convened.

#### Recruitment and appointment of Trustees

Periodically the board will decide whether new Trustees need to be recruited to bring knowledge and experience within specific areas required by the business. Nominations are invited from existing Trustees, which are discussed by the board in order to review the respective nominee's credentials. Successful candidates, approved by the board, are then formally invited to become a trustee. Following acceptance, the new trustee receives an induction regarding all aspects of the organisation by the executive management and meets key employees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### REFERENCE AND ADMINISTRATIVE INFORMATION

#### Secretary and registered office

R A Welfoot

Unit 4 Triangle Business Park  
Pentrebach  
Merthyr Tydfil  
CF48 4TQ

Company registration number : 2659355

Charity registration number : 1007270

Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Statutory auditors

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

### Solicitors

Hugh James  
Hodge House  
114-116 St Mary Street  
Cardiff  
CF10 1DY

Carbon Law Partners  
Creative Quarter  
Morgan Arcade  
Cardiff  
CF101AF

### Bankers

Lloyds Bank plc  
69 High Street  
Merthyr Tydfil  
CF47 8AD

### Directors, Trustees, members and chief officers

The directors and members, who are also Trustees, and chief officers of the company during the period were:-

#### Directors and Trustees:

Mr G Meredith (Chairman)  
Mr T C Lewis (Vice-Chairman)  
Mr L W Thomas  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis

#### Members:

Mr T C Lewis (Deceased 24/11/2020)  
Mr G Meredith  
Mr L W Thomas (Resigned 04/02/2021)  
Mr A Bush  
Mr R Cooper  
Mrs L Mytton  
Mr A Gunter  
Mr J Ellis

#### Principal Officers/Key Management Personnel:

Mr R A Welfoot	Chief Executive Officer & Company Secretary
Mrs P Kennedy	Employment & Training Manager
Mr A Phillips	Manufacturing Manager
Mr A Hall	Human Resources Manager
Mr E Silburn	Commercial Manager
Mr A Trythall	ICT Officer

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Trustees' Report

### Statement of directors' responsibilities

The trustees (who are also directors of The Merthyr Tydfil Institute for the Blind for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### By order of the board

R A Welfoot  
Company Secretary



Date: 16/12/2021

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

We have audited the financial statements of The Merthyr Tydfil Institute for the Blind (the "Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 of 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 charity 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Providing disabled and disadvantaged people the opportunity of sustained employment

### Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

## **Independent Auditors' Report to the Trustees of The Merthyr Tydfil Institute for the Blind**

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Providing disabled and disadvantaged people the opportunity of sustained employment

**Independent Auditors' Report to the Trustees of  
The Merthyr Tydfil Institute for the Blind**

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Sarah Case*

**Sarah Case FCA DChA**  
**Senior Statutory Audit**  
**Azets Audit Services**  
Chartered Accountants  
Statutory Auditor

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Date: 17-12-2021

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Statement of financial activities for the year ended 31st March 2021**

	Note	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>Income and endowments from:</b>					
Donations and legacies	3	2,973	-	2,973	418
Charitable activities	4	1,320,776	277,494	1,598,270	1,449,992
Investments	5	27,881	-	27,881	34,092
<b>Total income and endowments</b>		<u>1,351,630</u>	<u>277,494</u>	<u>1,629,124</u>	<u>1,484,502</u>
<b>Expenditure on:</b>					
Charitable activities	6	1,369,574	276,995	1,646,569	1,542,566
<b>Total expenditure</b>		<u>1,369,574</u>	<u>276,995</u>	<u>1,646,569</u>	<u>1,542,566</u>
<i>Net gains/(losses) on investments</i>	13	3,512	-	3,512	(556)
<b>Net income/(expenditure)</b>	8	<u>(14,432)</u>	499	<u>(13,933)</u>	<u>(58,620)</u>
Transfers between funds	18	34,332	(34,332)	-	-
<b>Net movement in funds</b>		<u>19,900</u>	<u>(33,833)</u>	<u>(13,933)</u>	<u>(58,620)</u>
<b>Reconciliation of Funds</b>					
Total Funds brought forward	18, 19	2,065,931	950,623	3,016,554	3,075,174
<b>Total funds carried forward</b>	18, 19 & 20	<u>2,085,831</u>	<u>916,790</u>	<u>3,002,621</u>	<u>3,016,554</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 28 to 43 form part of the financial statements.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Profit and loss account for the year ended 31st March 2021**

	Notes	2021 £	2020 £
<b>Turnover</b>	4	<b>577,274</b>	631,887
Raw materials and change in stocks	6	<u>(257,611)</u>	<u>(260,230)</u>
<b>Trading Profit</b>		<b>319,663</b>	371,657
Other operating income	4	<b>363,685</b>	12,560
Other operating charges	6	<b>(225,212)</b>	(246,044)
Other staff costs	6	<b>(465,440)</b>	(411,221)
		<b>(7,304)</b>	(273,048)
Wage cost of disabled Supported Business employees	6	<b>(504,680)</b>	(464,704)
Grant income related to disabled Supported Business employees	4	<b>304,996</b>	288,719
Employment & Training Programmes staff costs	6	<b>(158,658)</b>	(123,170)
Employment & Training Programmes income	4	<b>351,816</b>	501,827
<b>Operating profit</b>	8	<b>(13,830)</b>	(70,376)
<b>Interest payable and similar charges</b>	7	<b>(635)</b>	(2,195)
<b>Interest receivable and similar income</b>		<b>27,280</b>	33,499
<b>Retained profit on ordinary activities for the financial year</b>	19	<b><u>12,815</u></b>	<b><u>(39,072)</u></b>

All the activities of the charitable company are classed as continuing. There is no material difference between the profit for the financial year stated above and its historical cost equivalent.

The notes on pages 28 to 43 form part of the financial statements.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Balance sheet as at 31st March 2021**

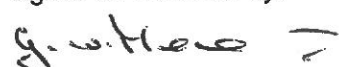
	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	<u>1,254,764</u>	<u>1,241,322</u>
<b>Total Fixed Assets</b>		<u>1,254,764</u>	<u>1,241,322</u>
<b>Current assets</b>			
Stocks	11	88,835	67,540
Debtors	12	202,636	142,063
Investments	13	1,268,931	1,600,783
Cash at bank and in hand	14	430,132	149,617
<b>Total Current Assets</b>		<u>1,990,534</u>	<u>1,960,003</u>
<b>Liabilities</b>			
Creditors falling due within one year	15	<u>(242,677)</u>	<u>(184,771)</u>
<b>Net current assets</b>		<u>1,747,857</u>	<u>1,775,232</u>
<b>Net assets</b>		<u>3,002,621</u>	<u>3,016,554</u>
<b>The funds of the charity:</b>			
Unrestricted income funds	19	2,085,831	2,065,931
Restricted income funds	18	916,790	950,623
<b>Total charity funds</b>		<u>3,002,621</u>	<u>3,016,554</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31<sup>st</sup> March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give true and fair view of the state affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors on 16<sup>th</sup> December 2021 and were signed on its behalf by:



Garry Meredith  
Chairman

Alan Bush  
Director



The notes on pages 28 to 43 form part of the financial statements.

Providing disabled and disadvantaged people the opportunity of sustained employment

## Statement of Cash Flows for year ended 31st March 2021

	Note	2021 £	2020 £
<b>Net cash provided by (used in) operating activities</b>	24	<b>(3,028)</b>	<b>37,713</b>
<b>Cash flows from investing activities:</b>			
Interest income		27,881	34,092
Purchase of tangible fixed assets		(79,702)	(17,797)
Prior Year adjustment to fixed assets		-	-
Proceeds from the disposal of fixed assets		-	-
Proceeds from investments		3,512	(556)
<b>Net cash provided by (used in) investing activities</b>		<b>(48,309)</b>	<b>15,739</b>
<b>Cash flows from financing activities:</b>			
<b>Net cash provided by (used in) financing activities</b>		<b>-</b>	<b>-</b>
Change in cash and cash equivalents in the reporting period		(51,337)	53,452
Cash and cash equivalents at the beginning of the year		1,750,400	1,696,948
<b>Total cash and cash equivalents at the end of the year</b>		<b>1,699,063</b>	<b>1,750,400</b>

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

#### Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### Presentation of the accounts on a going concern basis

The charity reported a net unrestricted inflow of £19,900 for the year. The charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

#### Taxation

As a registered charity, The Merthyr Tydfil Institute for the Blind is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

#### Recognition of income

Income is included in the Statement of Financial Activities (SoFA) when:

- The charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

#### Grants and donations

Grants and donations are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP).

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 1 Accounting policies (continued)

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met (5.16 FRS 102 SORP).

#### **Government grants**

The charity has received government grants in the reporting period.

#### **Contractual income and performance related grants**

This is only included in the SoFA once the charity has provided the related goods or services or met the performance related conditions.

#### **Legacies**

Legacies are included in the SOFA when receipt is probable, that is, when there has been grant of probate, the executors have established that there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

#### **Tax reclaims on donations and gifts**

Gift Aid receivable is included in income when there is a valid declaration from the donor. Any Gift Aid amount recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

#### **Donations**

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

#### **Volunteer help**

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

#### **Income from interest**

This is included in the accounts when receipt is probable and the amount receivable can be measured reliably.

#### **Settlement of insurance claims**

Insurance claims are only included in the SoFA when the general income recognition criteria are met (5.10 to 5.12 FRS 102 SORP) and are included as an item of other income in the SoFA.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 1 Accounting policies (continued)

#### **Investment gains and losses**

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### **Expenditure Recognition and Irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### **Support costs**

The charity has incurred expenditure on support costs.

#### **Governance and support costs**

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

#### **Grants with performance conditions**

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

#### **Grants payable without performance conditions**

Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 1 Accounting policies (continued)

#### Redundancy cost

The charity made no redundancy payments during the reporting period.

#### Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

#### Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost. The depreciation rates and methods used are noted below:

Freehold land and buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Fixtures and fittings	20%

#### Stocks and work in progress

Goods or services provided as part of a charitable activity are measured at net realisable value based on the service potential provided by items of stock.

Work in progress is valued at cost less any foreseeable loss that is likely to occur on the contract.

#### Current asset investments

They are valued at fair value except where they qualify as basic financial instruments.

#### Cash at Bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

#### Provisions for liabilities

A liability is measured on recognition at its historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date.

#### Creditors

The charity has creditors which are measured at settlement amounts less any trade discounts

# Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 1 Accounting policies (continued)

#### Deferred income

No material item of deferred income has been included in the accounts.

#### Basic financial instruments

The charity accounts for basic financial instruments on initial recognition as per paragraph 10.7 FRS 102 SORP. Subsequent measurement is as per paragraphs 11.17 to 11.19, FRS 102 SORP.

#### Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations and grants which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

#### Pension scheme

Contributions are made to the Rhondda Cynon Taf County Borough Council Pension Fund, which is a defined benefit scheme, in respect of certain employees. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effectiveness of variations from regular cost is spread over the expected average remaining service lives of members of the scheme. The company also provides contributions to a defined contribution Work Place Pension administered by Peoples Pension.

### 2 Critical accounting estimates and judgements

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

*Providing disabled and disadvantaged people the opportunity of sustained employment*

## Notes to the financial statements for the year ended 31st March 2021

### 3 Income from Donations and Legacies

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Donations	2,973	-	2,973	418
	<u>2,973</u>	<u>-</u>	<u>2,973</u>	<u>418</u>

### 4 Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>Sales, contracts, grants and fundraising</b>				
<b>Sales</b>	577,274	-	577,274	631,887
<b>Fundraising</b>	0	-	0	0
<b>Supported Business and Placement Scheme</b>				
Access to Work TESS Grant	279,658	-	279,658	287,980
Merthyr Tydfil CBC SLAs	45,000	-	45,000	45,000
WG Economic Resilience Grant	83,723	-	83,723	0
Coronavirus Job Retention Scheme	-	276,995	276,995	0
WCVA Active Inclusion contract	198,050	-	198,050	281,323
Specialist Employment Support contract	10,093	-	10,093	13,395
Employment Support Programme Contract	124,011	-	124,011	162,849
	<u>740,535</u>	<u>276,995</u>	<u>1,017,530</u>	<u>790,547</u>
<b>Other grant</b>				
Welsh Church Act Fund	-	-	0	14,998
DWP Access to Work Grant	-	499	499	0
DWP Access to Work Income	2,967	-	2,967	12,560
	<u>2,967</u>	<u>499</u>	<u>3,466</u>	<u>27,558</u>
<b>Total</b>	<u>1,320,776</u>	<u>277,494</u>	<u>1,598,270</u>	<u>1,449,992</u>

Providing disabled and disadvantaged people the opportunity of sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 5 Income from Investments

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Interest and rental income	27,881	-	27,881	34,092
	<u>27,881</u>	<u>-</u>	<u>27,881</u>	<u>34,092</u>

### 6 Expenditure on Charitable Activities

#### Manufacturing, contracts, grants and fundraising

	Fundraising £	Supported Employment Business & Training £	Blueprint Project £	Governance £	2021 Total £	2020 Total £
<b>Costs directly allocated to activities</b>						
Staff Costs	-	504,680	414,226	-	918,906	806,608
Travel & Subsistence	-	3,000	696	-	3,696	7,094
Vehicle running costs	-	11,894	3,213	-	15,107	36,544
Materials	-	257,611	-	-	257,611	260,230
Manufacturing costs	-	128,218	-	-	128,218	130,264
Fundraising events	-	-	-	-	-	0
Donations and beneficiary costs	-	-	-	-	-	-
Administrative costs	-	6,407	-	-	6,407	12,750
Legal & Professional	-	-	-	8,665	8,665	5,575
Depreciation	-	29,841	4,048	32,371	66,260	58,201
Promotion & Advertising	-	199	-	-	199	1,580
	-	<u>941,850</u>	<u>422,183</u>	<u>32,371</u>	<u>8,665</u>	<u>1,405,069</u>
<b>Support costs allocated to activities (Overhead apportionment)</b>						
Staff Costs	-	104,936	104,937	-	209,873	192,487
Premises	-	4,041	4,041	-	8,082	8,958
Administrative costs	-	10,132	10,131	-	20,263	19,051
Legal & Professional	-	1,641	1,641	-	3,282	3,224
	-	<u>120,750</u>	<u>120,750</u>	-	<u>241,500</u>	<u>223,720</u>
<b>Total</b>	-	<u>1,062,600</u>	<u>542,933</u>	<u>32,371</u>	<u>8,665</u>	<u>1,646,569</u>

### 7 Interest payable and similar charges

	2021 £	2020 £
Amounts payable in relation to bank and finance charges	<u>635</u>	<u>2,195</u>

Providing disabled and disadvantaged people the opportunity of  
sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 8 Operating Profit

	2021	2020
	£	£
<b>Operating profit is stated after (crediting)/charging:</b>		
Depreciation charge for the year on tangible owned fixed assets	<b>66,260</b>	58,201
Auditors' remuneration	<b>8,590</b>	5,550
	<b>74,850</b>	63,751

### 9 Staff Costs and Numbers

#### Key Management Personnel

The key management personnel of the charity are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £257,835 (2020: £256,366). The emoluments of one member of staff, including benefits in kind, are within the range of £60,000 to £69,999 (2020 – one in the range £60,000 to £69,999), not including retirement benefits, which are accruing under a defined benefit scheme.

The average weekly number of persons (excluding directors) employed by the company during the period was:

	2021	2020
	Number	Number
<b>By activity</b>		
Production	<b>39</b>	38
Selling and distribution	<b>2</b>	2
Administration	<b>16</b>	15
Placement Scheme	<b>9</b>	8
	<b>66</b>	63
<b>Staff costs (for the above persons)</b>	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,029,833</b>	908,037
Social security costs	<b>59,808</b>	64,173
Other pension costs (see note 17)	<b>39,137</b>	26,885
	<b>1,128,778</b>	999,095

Providing disabled and disadvantaged people the opportunity of  
sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1st April 2020	1,693,209	503,419	59,788	127,421	2,383,837
Additions	-	54,387	25,315	-	79,702
Disposals	-	(11,333)	-	-	(11,333)
<b>At 31st March 2021</b>	<b>1,693,209</b>	<b>546,473</b>	<b>85,103</b>	<b>127,421</b>	<b>2,452,206</b>
<b>Depreciation</b>					
At 1st April 2020	502,536	468,554	45,191	126,234	1,142,515
Charge for the year	33,864	21,163	10,583	650	66,260
Disposals	-	(11,333)	-	-	(11,333)
<b>At 31st March 2021</b>	<b>536,400</b>	<b>478,384</b>	<b>55,774</b>	<b>126,884</b>	<b>1,197,442</b>
<b>Net book value</b>					
<b>At 31st March 2021</b>	<b>1,156,809</b>	<b>68,089</b>	<b>29,329</b>	<b>537</b>	<b>1,254,764</b>
At 31st March 2020	1,190,673	34,865	14,597	1,187	1,241,322

### 11 Stocks

	2021 £	2020 £
Raw materials and consumables	80,267	56,275
Work in progress	6,047	2,535
Finished goods	2,521	8,730
	<b>88,835</b>	<b>67,540</b>

### 12 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	91,818	96,895
Other debtors	-	0
Prepayments and accrued income	110,818	45,168
	<b>202,636</b>	<b>142,063</b>

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Notes to the financial statements for the year ended 31st March 2021**

**13 Investments**

	2021 £	2020 £
Charities Official Investment Fund (historical cost £1,144)	20,508	16,995
Fixed Rate Deposits	<u>1,248,423</u>	<u>1,583,788</u>
	<u><b>1,268,931</b></u>	<u><b>1,600,783</b></u>

**14 Cash at Bank and in Hand**

	2021 £	2020 £
Cash at bank and in hand	<u>430,132</u>	<u>149,617</u>
	<u><b>430,132</b></u>	<u><b>149,617</b></u>

**15 Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade creditors	99,515	105,215
Other taxation and social security costs	19,044	25,311
Other creditors	10,645	10,775
Accruals and deferred income	<u>113,473</u>	<u>43,470</u>
	<u><b>242,677</b></u>	<u><b>184,771</b></u>

**16 Financial Instruments**

	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Investments measured at fair value	1,268,931	1,600,783
Debt instruments measured at amortised cost	<u>521,950</u>	<u>246,512</u>
	<u><b>1,790,881</b></u>	<u><b>1,847,295</b></u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u><b>110,160</b></u>	<u><b>115,990</b></u>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

**Notes to the financial statements for the year ended 31st March 2021**

**17 Pension and similar obligations**

The company participates in a pension scheme operated by Rhondda Cynon Taff County Borough Council providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The company has set out below, information available on the funding of the scheme and the implications for the company in terms of the anticipated contribution rates.

The total pension cost of the company was £22,765 (2020 £17,112). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 31st March 2019. The assumptions that have the most significant effect on the valuation are those relating to discount rate set on the expected return on the fund assets and the rates of increase in salaries and pensions. It was assumed that the discount rate for active members would be 4.25% per annum and 4.25% per annum for members who have left the service; salary increases would average 3.35% per annum and that present and future pensions would increase at the rate of 2.1% per annum.

At the date of the last actuarial valuation, the market value of the assets of the scheme was £3,458.6 million and the actuarial value of the assets was sufficient to cover 81% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will be 33.5% (2020 26%) and 8.5% (2020 8.5%) respectively. Contributions amounting to £1,869 (2020 £1,422) were payable to the scheme at the year end and are included in creditors.

The company set up a defined contribution Work Place Pension administered by Peoples Pension and started making contributions in May 2015. The contributions of the company and employees were 3% (2020 3%) and 5% (2020 5%) respectively, with the pension cost to the company amounting to £16,372 (2020 £15,070). Contributions amounting to £1,327 (2020 £1,201) were payable to the scheme at the year end and are included in creditors.

Providing disabled and disadvantaged people the opportunity of  
sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 18 Restricted Funds

	At 1st April 2020	Receipts in year	Transfers to Profit and loss in year	At 31st March 2021
	£	£	£	£
Job Retention Scheme	-	276,995	(276,995)	0
Other capital grants	37,303	499	(9,263)	28,539
Blueprint project	913,320	-	(25,069)	888,251
	<u>950,623</u>	<u>277,494</u>	<u>(311,327)</u>	<u>916,790</u>

Job Retention Scheme is the grant funding from the UK Government to support the jobs of those employees furloughed and flexible furloughed as a result of the Covid-19 pandemic restrictions.

Other capital grants represent grants received from funders that in order to help finance the acquisition of certain fixed assets. Each funding agreement will have its own conditions attached to the use of the funding in relation to the fixed asset.

The Blueprint project represents grants received from the Welsh European Funding Office and Merthyr Tydfil County Borough Council in relation to the organisation's European Objective 1 Blueprint project to expand its resources and services for the training, development and creation of employment opportunities for blind, partially sighted and disabled persons throughout South Wales.

#### *Previous year*

	At 1st April 2019	Receipts in year	Transfers to Profit and loss in year	At 31st March 2020
	£	£	£	£
Other capital grants	31,568	14,998	(9,263)	37,303
Blueprint project	939,059	-	(25,739)	913,320
	<u>970,627</u>	<u>14,998</u>	<u>(35,002)</u>	<u>950,623</u>

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Notes to the financial statements for the year ended 31st March 2021**

**19 Unrestricted Funds**

	<b>At 1st April 2020</b>	<b>Movement in year</b>	<b>At 31st March 2021</b>
	£	£	£
Capital and charitable reserve	469,845	7,086	476,931
Profit and loss account	<u>1,596,086</u>	<u>12,814</u>	<u>1,608,900</u>
	<u>2,065,931</u>	<u>19,900</u>	<u>2,085,831</u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 124,012

476,931

*Previous year*

	<b>At 1st April 2019</b>	<b>Movement in year</b>	<b>At 31st March 2020</b>
	£	£	£
Capital and charitable reserve	469,390	455	469,845
Profit and loss account	<u>1,635,157</u>	<u>(39,071)</u>	<u>1,596,086</u>
	<u>2,104,547</u>	<u>(38,616)</u>	<u>2,065,931</u>

The capital and charitable reserve comprises: £

A capital reserve which arose on incorporation in 1991 352,919

The accumulated balance of fundraising activities and donations which have been given to the Institute to use for charitable purposes, together with interest thereon, less expenditure incurred to date. 116,926

469,845

Providing disabled and disadvantaged people the opportunity of  
sustained employment

**Notes to the financial statements for the year ended 31st March 2021**

**20 Analysis of net assets between funds**

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	916,790	58,010	279,964	1,254,764
Stocks	-	67,187	21,648	88,835
Debtors	-	376,473	(173,837)	202,636
Investments	-	20,507	1,248,424	1,268,931
Cash at bank and in hand	-	124,601	305,531	430,132
Creditors	-	(169,847)	(72,830)	(242,677)
<b>At 31st March 2021</b>	<b>916,790</b>	<b>476,931</b>	<b>1,608,900</b>	<b>3,002,621</b>

*Previous year*

	<b>Restricted Fund</b>	<b>Unrestricted Funds</b>		<b>Total</b>
	<b>Capital Grant reserve</b>	<b>Capital &amp; Charitable reserve</b>	<b>Profit and loss account</b>	
	£	£	£	£
Tangible fixed assets	950,623	58,010	232,689	1,241,322
Stocks	-	67,187	353	67,540
Debtors	-	376,473	(234,410)	142,063
Investments	-	16,995	1,583,788	1,600,783
Cash at bank and in hand	-	121,027	28,590	149,617
Creditors	-	(169,847)	(14,924)	(184,771)
<b>At 31st March 2020</b>	<b>950,623</b>	<b>469,845</b>	<b>1,596,086</b>	<b>3,016,554</b>

*Providing disabled and disadvantaged people the opportunity of sustained employment*

## Notes to the financial statements for the year ended 31st March 2021

### 21 Transactions with Trustees and Related Parties

No fees, emoluments or expenses were paid to Trustees during the year (2020: £ Nil)

During the year the charity was not involved in any transactions with organisations associated with people who are directors of the charity.

### 22 Status of the company

The company is limited by guarantee and has no share capital. The liability of each member under guarantee is limited to £1.

### 23 Capital Commitments

At the year end the charity had no capital commitments.

### 24 Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	(13,933)	(58,620)
Add back depreciation charge	66,260	58,201
Deduct profit on disposal of fixed assets	-	-
Deduct interest income shown in investing activities	(27,881)	(34,092)
Deduct gains/ add back losses on investments	(3,512)	556
Decrease (increase) in stock	(21,295)	362
Decrease (increase) in debtors	(60,573)	49,091
Increase (decrease) in creditors	57,906	22,215
<b>Net cash provided by operating activities</b>	<b>(3,028)</b>	<b>37,713</b>

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sustained employment

## Notes to the financial statements for the year ended 31st March 2021

### 25 Comparative Statement of Financial Activities

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
<b>Income and endowments from:</b>			
Donations and legacies	418	-	418
Charitable activities	1,434,994	14,998	1,449,992
Investments	34,092	-	34,092
<b>Total income and endowments</b>	<u>1,469,504</u>	<u>14,998</u>	<u>1,484,502</u>
<b>Expenditure on:</b>			
Charitable activities	1,542,566	-	1,542,566
<b>Total expenditure</b>	<u>1,542,566</u>	<u>-</u>	<u>1,542,566</u>
Net gains/(losses) on investments	(556)	-	(556)
<b>Net income/(expenditure)</b>	(73,618)	14,998	(58,620)
Transfer between funds	35,002	(35,002)	-
<b>Net movement in funds</b>	(38,616)	(20,004)	(58,620)
<b>Reconciliation of Funds</b>			
Total funds brought forward	2,104,547	970,627	3,075,174
<b>Total funds carried forward</b>	<u>2,065,931</u>	<u>950,623</u>	<u>3,016,554</u>