

IRIS VISION

CHESHIRE

Annual Trustees' Report & Accounts

April 2021-March 2022

TRUSTEES' ANNUAL REPORT

LEGAL AND ADMINISTRATIVE INFORMATION

GENERAL

Name & Status. IRIS Vision Cheshire is a charitable incorporated organisation (CIO) which registered with the Charity Commission in July 2013 but became fully operational from 1st April 2014 when it had transferred to it the assets and responsibilities of its predecessor organisation, the IRIS Vision Resource Centre. The IRIS Vision Resource Centre had first registered with the Charity Commission in October 1993 as an unincorporated organisation, registration number 1045420, but its trustees and members decided to adopt incorporated status after conducting a risk assessment. The new charity, IRIS Vision Cheshire, has continued and expanded the work of its predecessor, and has retained its charitable objectives, which are

TO PROMOTE THE RELIEF OF VISUALLY IMPAIRED PEOPLE IN ANY MANNER WHICH NOW OR HEREAFTER MAY BE DEEMED BY LAW TO BE CHARITABLE WITHIN THE COUNTY OF CHESHIRE AND ADJACENT DISTRICTS.

Principal address. The principal address of the organisation is 14 Chapel Street Crewe CW2 7DQ (note that the charity vacated these premises in November 2022).

STRUCTURE AND GOVERNANCE

Governance. The trustees of the IRIS Vision Resource Centre became the founding trustees of IRIS Vision Cheshire, and in accordance with the CIO constitution were elected to office for 2, 3 or 4 years as described below. New trustees are recruited by invitation after agreement by the Board. The trustees listed served on the IRIS Vision Board during the 2021/22 year.

The Chief Officer (Keith Mastin) suffered serious illness during 2020/21 and passed away early in the 2021-22 accounting year.

Trustees

Trustees who served on the Board during 2020/21 were as follows. Those asterisked served also on the Finance & Personal Committee (although this committee did not meet during the year, all business being dealt with by the full board of trustees).

Kay Bailey, Ray Clutton (resigned during year), James Cummings, Carol Dodgson, Gwyn Griffiths (Chairman), Jennifer Holt (Treasurer) and John Jones.

This Report is submitted by Gwyn Griffiths (Chairman).

BANKING AND FINANCE

Banks. The organisation's primary bank is Lloyds, Victoria Street, Crewe. In addition it has cash and deposit accounts with CAF Bank, West Malling, Kent.

Risk management. The trustees recognise they are working in uncertain times, often making forward planning very difficult. Regular finance reports are supplied at trustee meetings and risk assessments are undertaken from time to time. Identifiable risks are managed through a comprehensive insurance policy. In the light of uncertainty regarding future funding from local health and social care authorities, the organisation has designated reserves of £30000 to cover staff redundancy and associated costs, and a further £5000 to cover essential building maintenance. The general reserves will be used to cover operational deficits pending adjustments to the organisation's income and expenditure.

NATIONAL NETWORKS

IRIS is a subscribing member of *Visionary*, the national association of local societies for visually impaired people, and is a trading partner of the Royal National Institute of the Blind.

ANNUAL REPORT 2021-2022

To describe 2021-2022 as a challenging year for IRIS would be a substantial understatement. It began with the sad death in post of our Chief Officer Keith Mastin and the resignation through ill health of our Chairman Bruce Lucas. Both made a huge contribution to the work of IRIS and to the wider visually impaired community.

It ended with the retirement of another stalwart, our Operations Manager Wendy Worthington, and the Trustees of the charity having to consider the future of IRIS (as noted in Post-Year Developments below).

The year marked a gradual resumption of the charity's activities following restrictions during Covid-19. Our low vision assessment services together with general advice and support had been available throughout but given the vulnerabilities of many within our client base demand remained at low levels. Regular social activities resumed in autumn 2021 and we were pleased to see the return of virtually all of our pre-Covid regulars who were delighted to regain both the independence of attending and the stimulation of socialising. Crewe Town Council generously supported the relaunch of social activities with a grant of £2,500 for which we were most grateful.

Finance remained a critical element for the survival of IRIS as a charity. For many years contract funding had been provided by both the local health authorities (PCTs and CCGs) and local authorities

(Cheshire, Crewe & Nantwich and Cheshire East councils at various times) reflecting both the health and social care elements of our work.

From April 2021 the CCG switched to a temporary grant arrangement (for a 6 month period) as they reviewed the support they provided. An application for grant funding from October 2021 was rejected, though we were subsequently advised that funding in the region of £9,800 would be provided to allow a service to continue to 31 March 2022. However this funding was not received during the financial year (it was eventually received in the following financial year) and, after some initially optimistic suggestions, we were also advised that no funding would be available from April 2022.

Cheshire East Council had ceased support for IRIS in 2018 when it entered into a joint sensory impairment contract with another provider. Concern over the effectiveness of that arrangement, together with the duplication of two public authorities funding different providers to offer similar services, led to the council indicating that it would be looking to return to a specific visual impairment support contract. IRIS retained the capacity to provide such a service by the use of reserves in the expectation of being able to bid for a realistic future arrangement. There were repeated delays in drawing up the tender offer with deadlines being missed (all this time the reserves available to IRIS were diminishing). The invitation to tender was finally issued early in 2022 and it was clear that the service level specified could not be met within the maximum contract value. IRIS declined to bid and it was unsurprising that no bids were received.

By March 2022 it was therefore clear that there was no prospect of support for the work of IRIS from either the CCG or Cheshire East Council that would allow the charity to continue on the basis of its past activities. The Trustees met in April 2022 (so outside the timescale of this report) to consider the future of the charity.

Post-Year Developments

When the Trustees met in April 2022 they considered a number of options for the charity's future. It was clear to them that continuing to provide the full range of existing services, maintaining staff employment, and retaining the building was not financially viable and would quickly result in the charity becoming insolvent.

The Trustees therefore agreed that the best way forward was for the charity to restructure with a slimmed down cost base which would involve selling the property and reducing or eliminating the staffing costs. Low vision assessments would cease along with the sale of aids and equipment. Various options for the maintenance of social activities were considered; in the event IRIS entered into a 3 year agreement with another local charity (The Wishing Well Project [WW]) under which WW would provide and administer the provision of the activities of the social group with grant funding from IRIS.

The Trustees were obliged to issue redundancy notices to all staff. Happily all staff secured alternative employment where sought and IRIS met its full obligations in respect of redundancy payments.

The building sold by auction (in accordance with Charity Commission guidance on securing full value) in October 2022 and passed to new ownership in November 2022. Happily we were able to reach an amicable arrangement with our tenants (Crewe & Nantwich Talking Newspaper) for their vacating the premises. We thank them for their ready co-operation.

IRIS now has a significant financial resource which it will use to the benefit of the visually impaired community in the area. The agreement with WW will require the use of part of this resource; the Trustees will, in due course, consider how the remaining reserves can be best used to meet its charitable purposes.

Conclusion

In view of the valuable work carried out by IRIS on behalf of the visually impaired community over its 30 years of existence it is sad to see the closure of the IRIS Centre and the loss of services such as low vision assessments and the resource room. However, with the loss of support from the relevant health and local authorities the charity could not continue in its previous form (any attempt to do so would have resulted in a deficit of around £70,000 each year). Trustees have ensured that the charity restructured in an orderly manner, in accordance with charity law, and fully protecting the interests of staff members to whom we place on record our deepest gratitude for their commitment and flexibility. Going forward there is an opportunity to explore the potential of IRIS continuing to serve the visually impaired community in new ways.

Gwyn Griffiths

Chairman
IRIS Vision Cheshire
January 2023

STATEMENT OF FINANCIAL ACTIVITIES ACCOUNTS 2021-2022

<u>INCOMING RESOURCES</u> 2021	2021-2022	2020-
Contract fees and grants (health)	18,547.00	37,144
Grants (Covid related)	10,240.67	63,643
Bank Interest	9.15	29
Other Income	24,605.51	8,722
TOTAL INCOME	53,402.33	109,538

RESOURCES EXPENDED

TOTAL EXPENDITURE	95,445.78	78,419
--------------------------	------------------	---------------

NET SURPLUS/(DEFICIT)	(42,043.45)	31,119
------------------------------	--------------------	---------------

Bank reconciliation

Opening balance 1 April 2021	£ 97,794.36	
Receipts	£ 53,402.33	=
£151,196.69		
Payments	£ 95,445.78	=
55,750.91		£
Closing balance 31 March 2022	£ 55,750.91	

BALANCE SHEET AT 31 MARCH 2022

FIXED ASSETS

Building	60,000.00	42,351
Note 2.3		

Total Fixed Assets	60,000.00	42,351
---------------------------	------------------	---------------

CURRENT ASSETS

Stocks

Magnifiers	4,000.00	8,000
Note 2.3		
Aids & Equipment	6,000.00	12,000
Note 2.3		
Cash		
CAF Bank	53,873.06	68,673
Lloyds Bank	1,877.85	29,122
Total cash reserves	55,750.91	97,795
Less designated funds	35,000.00	35,000
“Free” cash reserves	20,750.91	62,795
Total Current Assets	65,750.91	117,795
Total Assets	125,750.91	160,146
Designated funds:		
Redundancy reserve	30,000.00	30,000
Building repairs reserve	5,000.00	5,000
Total “free” assets	90,750.91	125,146

NOTES TO THE ACCOUNTS 2021-22

1. Basis of preparation

1.1 Basis of accounting

These accounts have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July 2014 and with the Charities Act 2011.

The accounts have been produced on an accruals basis.

2. Accounting policies

The charity has applied a standard list of accounting policies as follows:

2.1 Incoming resources:

- **Recognition of incoming resources.** These are included in the Statement of Financial Activities (SoFA) when the charity receives the resources.
- **Incoming resources with related expenditure.** Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

- **Grants and donations.** Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
- **Tax reclaims on donations and gifts.** Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
- **Volunteer help.** The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.
- **Investment income.** This is included in the accounts as Interest. The charity has no investments beyond monies held in bank or building society deposit accounts.

2.2 Expenditure and liabilities

- **Liability recognition.** Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
- **Governance costs.** Details of governance costs are given in section 3 below.
- **Support costs.** Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, as summarised in 3 below.

2.3 Fixed Assets

- **Stock.** In the past stock was valued at the lower of cost and net realisable value. It has become clear that this gave an unrealistic value to the stock held for the following reasons:

IRIS has always prided itself on being able to supply, on demand, appropriate equipment across a wide range of client requirements. This has resulted in large stocks being held with individual items sometimes in stock for an extended period before meeting a specific client need.

Technological and design advances can result in stock becoming obsolete as better equipment becomes available.

Stock used for demonstration purposes can become worn or damaged thus reducing its potential resale value.

The market for reselling other than to individual clients (e.g. to other providers in the charitable sector) is small and specialist.

For the above reasons it was decided that the true asset value of the stock held (listed at £20,000 at 1 April 2021) was a lower figure and the value has therefore been written down to £10,000 at 31 March 2022.

- **Depreciation of fixed assets.** Depreciation has previously been charged at the rate of 2% for buildings. As reported in the last Annual Report the Trustees obtained a preliminary indicative valuation of the property which suggested that the disposal value would be substantially higher than currently provided for in the accounts. The asset value of the property has therefore been adjusted to a figure of £60,000, though this is still below the likely disposal value. Therefore it is expected that the book value may be subject to further review. The organisation currently has no other fixed assets of any realisable value.
- The charity owns the premises it occupies at 14 Chapel Street, Crewe. The organisation has a lease with its tenant, Crewe & Nantwich Talking Newspapers, who occupy rooms on the first floor of the property.

3. Support costs

Given the very low support costs incurred during the year (the servicing of trustee meetings and the preparation of the Annual Report and Accounts now falls to a Trustee on a voluntary basis) no support costs have been identified.

4. Trustee expenses

No trustee expenses were claimed during 2021/22. A Trustee made a short-term loan of £3,000 to the charity on 23rd March 2022 which was repaid in full on 28th March 2022. No interest was paid and there was no cost to the charity. The loan was to cover staff salaries at a time when difficulty was being experienced in accessing the charity's banking arrangements.

5. Paid employees

At the 31st March 2022 the charity employed 1 full-time and 4 part-time staff, none of whom receives emoluments of more than £50000pa. Staff are engaged on a range of general duties primarily concerned with charitable activities. Details of wages and other staff expenses are as follows:

	£ 2021/22 £	£ 2020/21 £
Salaries, NI, pensions	59,420.77	59,471
Staff expenses etc*	0	41
Staff development & DBS	0	0

Three members of staff are members of the NEST pension scheme.

7. Funds

The IRIS trustees have designated £30000 from its reserves as a contingency against staff redundancies in an uncertain financial climate. Significant upgrade work has been completed at the IRIS Centre and £5000 has been designated as a contingency against future work.

INDEPENDENT EXAMINATION

The Trustees are of the view that an audit is not required under Section 144 of the Charities Act as IRIS does not meet either requirement for audit:

Its annual income did not exceed £500,000

Its assets do not exceed £3,260,000.

Therefore an Independent Examination meets the requirements of the legislation.

STATEMENT OF INDEPENDENT EXAMINER

In connection with my examination no material matters have come to my attention which gives me cause to believe that in any respect:

- ☐ Accounting records were not kept in accordance with Section 130 of the Charities Act
- ☐ The accounts do not accord with the accounting records.

(signed) T Dunlop

(date) 25 January 2023

Thomas Dunlop

[Section 130 requires that Trustees must ensure that accounting records are sufficient to show and explain all the charity's transactions.]