

Galloway's Society for the Blind

Annual Report and Financial Statements

**For The Year Ended
31 March 2021**

GALLOWAY'S SOCIETY FOR THE BLIND

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GALLOWAY'S SOCIETY FOR THE BLIND

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

President

The Right Worshipful The Mayor of Preston

Honorary Vice Presidents

Mrs C Moss JP

The Anglican Bishop of Lancaster

The Roman Catholic Bishop of Lancaster

The Chairman of the Methodist Church,

North Lancashire District

The Mayor of Lancaster

The Mayor of Ribble Valley

The Mayor of South Ribble

The Mayor of West Lancashire District Council

The Mayor of Penwortham

The Mayor of Chorley

Trustees

Mr J J Ward OBE

Mr S K Booth – Chairperson

Mr J Bretherton – Vice Chairperson

Mrs C J Holmes MBE

Mr P A Howard Retired November 2020

Mr A V Kimpton

Dr S Jain

Mr Carl Harrison

Mrs Joanna Solanki

Mrs Hannah Taylor

Mrs Ruth Cuthbert

Miss M Fecci – appointed February 2021

Chief Executive Officer

Mr S P Clayton

Registered Office

Howick House

Howick Park Avenue

Penwortham

Preston

PR1 0LS

Registered charity number

526088

Auditor

MHA Moore and Smalley

Chartered Accountants and Statutory Auditor

Richard House

Winckley Square

Preston

PR1 3HP

Investment Managers

Brown Shipley

3 Hardman Street

Manchester

M3 3HF

Hedley & Co Stockbrokers Ltd

13b Winckley Square

Preston

PR1 3JJ

GALLOWAY'S SOCIETY FOR THE BLIND

REPORT OF THE TRUSTEES

The trustees present their annual report and audited financial statements of the charity for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Overview

The Society established in 1867 is registered charity number 526088 governed by a Constitution amended 14 August 2013.

The Society is an independent local organisation with a physical presence in Preston, Morecambe, Chorley and Southport, together with other local support groups throughout Central and North Lancashire.

The Society liaises with many other national and parochial charities with similar objectives. A proportion of the buildings owned by the Society is let to other charitable organisations which often complement the services provided by the Society.

Objectives and activities for the public benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The purposes of the charity as set out in the governing document are to:

- Provide facilities for the preservation of sight.
- Relieve the disability of visually impaired persons.

The Society is endeavouring to follow the objectives set out in its mission statement.

Mission statement

"To enable people with a visual impairment to gain greater independence and minimise the effects of reduced vision".

The charity is a Local Voluntary Society providing services and support to people with sight loss. The Society has strength and tradition in its history and uses this as a force for future improvement. This financial year saw Galloway's forced to operate in new way due to the global pandemic. Services were re-shaped and delivered differently, traditional face to face fundraising all but ceased and we had to take a pragmatic approach to the overall management of the charity and its resources.

It was clear that the pandemic would change the landscape so considerably the Trustees took the brave decision to undertake a strategic review to enable the charity to re-focus on a new post COVID 19 landscape. The Build Back Better change programme began in July 2020.

Core activities

Core services provided by the charity as part of the strategy for meeting its charitable objectives included key services available to all in the Society's area of operations:

- Talking newspapers and magazines
- Equipment demonstrations and advice
- Information advice and guidance "sign posting"
- Newsletters (sent to everyone who opted in on our database)
- Equipment exhibitions
- Wireless for the blind fund (where applicable)
- Braille, audio and large print transcription
- Hospital information service

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- Living with sight loss courses
- Outdoor activities programme
- Access to four Sight Advice Centres
- Low Vision Assessments
- Various activity groups and learning programmes
- The reduction of social isolation
- Technology advice service

Additional services

Available to people in a number of outlying locations and open to all service users:

- Social clubs/support groups/activities/outings/
- Voluntary visiting/telephone contact
- Befriending telephone service
- One off events and exhibitions
- Training
- Home visits
- Resource Centre visits
- Transport
- Independent living accommodation

Engagement and outreach services

Events and activities undertaken to raise awareness and improve mainstream services for blind and partially sighted people. The list is extensive but includes engaging with:

- Schools liaisons/awareness training/events
- Disability access groups
- Inter-agency partnerships
- The Lancashire VI Forum
- The Sefton VI Forum
- Lancashire Eye Health Network
- Fundraising
- Publicity
- Vision Matters - National Eye Health Week
- Local Authorities
- Clinical Commissioning Groups

The services offered by the charity are not restricted in any way and the objectives and activities are to include all individuals and other charitable organisations.

Review of achievements and performance

The charity's main geographical area of operation is from Carnforth and the Cumbria border in the north to Ormskirk and Southport and parts of Sefton in the south. The areas to the east and west of Lancashire are supported by other similar societies but due to our size and range of services, it is common for people from all across the County, and beyond, to access our services. Many of the society's talking newspapers are despatched to all parts of the UK.

Recognition

This was an unprecedented year and one the charity must recognise to be exceptionally successful in how the staff group supported our community. Due recognition has to be given to everyone involved in the charity from Trustees immediately rallied to provide governance and strategic guidance from the onset of the pandemic, the senior management team which had to make difficult decisions at a time of uncertainty, the services team which quickly and creatively met a new identified need with new and innovative services, the central resource team which provided practical support which enabled us to continue our delivery and our income generation and

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communications team for generating a phenomenal return from trust and grant opportunities and continued vital internal and external communication through the pandemic.

It must be noted that whilst we took the difficult decision to furlough some members of our team, their absence enabled us to protect our expenditure at a time when a significant reduction in income was expected.

COVID impact

It is widely recognised that covid-19's impact has been, and will continue to be, uneven and unpredictable across the sector with organisations like Galloway's already facing higher demands on its services.

In March 2020, Galloway's closed its buildings to staff, tenants, hirers and our service users. Although buildings closed, the charity continued its charitable activities with staff working remotely wherever possible. However, our social enterprise café closed its doors in line with government advice.

An Emergency COVID Group was quickly established by the Trustees and met frequently in the initial weeks of the crisis. Terms of Reference for the group were drafted and agreed by the Board providing delegated authority enabling the Emergency COVID Group to react swiftly to the emerging challenges posed by the crisis.

Galloway's is in a strong financial position to maintain activities throughout the crisis despite significantly reduced opportunities to generate expected income generating. This ensured that Galloway's was able to provide as much support as possible for our communities when they needed it most. However, the expected downturn in income is worrying not just for Galloway's, but for the lives and communities that it serves.

The impact on levels of demand?

Towards the start of the lockdown period, we saw the demand on our services increase significantly as a result of the crisis. Many more people contacted us as they began to understand the impact of the crisis on their own lives. We quickly converted our traditional face to face services to telephone and digital support providing advice and guidance to those who were unfamiliar or frightened by the new technology. Demand grew from people who regularly used our services as well as an increase in referrals/enquiries from people new to Galloway's. Our team of dedicated sight loss advisors had to be reactive to the ever shifting nature of enquiries, often problem-solving practical issues never experienced before.

Financial impact

Prior to the Government announcing help for charities, and just before lockdown was announced, the financial future was more than uncertain with income dropping off from traditional fundraising, office lets, room hire and the potential to lose contract and grant income. The areas most affected are those that perform trading or public facing activities such as our café. In the year to March 2021, the charity's income (before investment gains or losses) decreased by 20% compared to previous year. In spite of the obvious risk to income generation activities the Trustees agreed to maintain all front facing services to ensure that Galloway's could provide the support for our communities when we were needed most. To do this Trustees agreed to fund the shortfall in income from reserves and the investment portfolio should this be required. With the continued success of the vaccination programme, investments have steadily improved and returned to pre-pandemic levels resulting in a net gain at the year-end which contributed to an overall net surplus for the year.

Discussions took place with commissioners and grant providers which allowed us to maintain the majority of these income streams and re-shape them to support the COVID crisis. In mid-April the Government announced a range of financial assistance schemes, in particular the Job Retention Scheme aimed at protecting employees and businesses during the crisis which, assisted Galloway's to mitigate lost income and offset protected expenditure such as staff salaries.

The majority of traditional fundraising stopped with staff placed on the government job retention scheme. As the crisis continued Trust and Grant funders re-positioned themselves to support charities providing grass roots community services. Thanks to the skill of the Trust and Grants Officer and the support from the wider team Galloway's was very successful in attracting new income to support COVID related activities.

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Resilience

The resilience and creativity shown by the staff group all the way through the crisis was nothing short of incredible showing that Galloway's is an adaptable needs led organisation for blind and partially sighted people. From the formation of a Trustee Crisis Group to the redesign and delivery of support services every single member of staff and all the Trustees played a vital role in supporting Galloway's to provide vital services for our community.

The role of technology played a significant part in this success story and enabled us to collaborate both within the organisation and with external partners. Technology helped us be creative and responsive to the needs of our community and has left a lasting legacy for the charity to build on for the future.

Galloway's recognises that society has changed and it is likely that we will be working in an ever increasingly cashless society which, means that Galloway's has to accelerate plans to further develop online functions to support fundraising activities in order to make up the potential future shortfall in cash donations.

Achievements in the Pandemic – 2020/21

At the beginning of the pandemic, it was quickly recognised that we would not be able to deliver our traditional face to face services and so had to adapt our service offer to meet the new emerging needs of people affected by sight loss. Services delivered throughout the pandemic included:

- Telephone support
- Virtual peer support
- Virtual social activities
- Virtual IT support enabling people to connect through new digital services
- Virtual walks and outdoor activities
- A limited Talking Newspaper service
- Practical support
 - Arranging hospital transport
 - Access to food shopping
- Secured a new prime contractor contract for Low Vision and ECLO for the Morecambe Bay Trust.
- Successfully delivered a temporary rehabilitation contract for Sefton Borough Council.
- Introduced a new Alexa skill
- Talking tech – range of virtual/digital tutorials
- Fitness and wellbeing videos
- Trustee induction
- Partial governance review has taken place.
- New international challenge fundraising event introduced.
- Introduced strategy roadshow to promote the strategy to a wider audience
- Led the introduction of a new Regional Development project focused on promoting closer working relationships between sight loss organisations in Lancashire and Cumbria.
- Held a successful staff 'Away Day'
- Drafted a new Legacy strategy
- Recruited four new Trustees
- Held another successful AGM and conference In November 2020, focused on travel and mobility.

Plans for the future – 2020/21

In April 2018 the Trustees agreed a 5 year strategy requiring investment from reserves to support new fundraising initiatives. In June 2020 the management team proposed a strategic review of all aspects of the charity to ensure that Galloway's would be in a strong strategic, operational and financial position post COVID-19.

The Build Back Better initiative began with a paper presented to Trustees in July 2020 followed by Discovery and later Design in January/February 2021.

Discovery enabled us to talk with all key stakeholder groups which confirmed much of what we thought but also raised many additional challenges. Design began in January 2021 with a revised work plan and was structured around collaboration and innovation.

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Design helped us identify four strategic aims:

1. Reach more people
2. Bring connection, choice and confidence
3. Deliver the best outcomes for people affected by sight loss
4. Develop the capacity and infrastructure of the organisation to achieve our ambition

The strategic aims were then broken down into five strategic objectives:

1. To develop community based services offering connection, advice and learning options so everyone we support can manage their health and wellbeing with confidence and live life to the full
2. To engage inform and inspire professionals to provide better support to everyone affected by sight loss
3. Communications will bring to life our impact and support the delivery of our work
4. Our infrastructure will support the delivery of our work
5. Our financial model will be sustainable for the long term

All that we do will be focused on achieving our four strategic aims and five strategic objectives ensuring we:

Unify – unify everyone into one team with everyone contributing to the common aims and objectives

Inspire our workforce – define a powerful vision which has a clear motivational effect

Provide a focal point – provide a sense of purpose and direction

The key change elements to our new three year plan are:

- We will move to community based service delivery, making sure that we are accessible and flexible to the needs of our communities
- We will build on our Digital success by developing this further and using it as a tool to educate and influence
- We will place greater emphasis on our communication function to shout about what we do, the impact we have on the lives of the people we support and how we then build relationships with people at all levels
- We will invest in our infrastructure to ensure we can maintain and improve the quality of everything we do, support our staff group and further develop our volunteering offer
- We will focus more on being creative about how we engage and learn from people with lived experience
- We will drive forward a new integrated way of working across all departments

Our new strategy period will begin on 1 April 2022.

Financial review

Total group funds as at 31 March 2021 were £9,398,997 Overall resources have increased by £824,293.

Principal funding sources including trusts & grants, legacies, donations and investment income have supported the key objectives of the charity in sustaining running costs and continue to fund the current services on offer. Fundraising and trading income were adversely affected by the pandemic. COVID related grants, Government Furlough Scheme contributed significantly to the income in the financial year.

Management accounts enable the charity to closely monitor and carefully manage all aspects of its income and expenditure. The monitoring of funding and a successful fundraising team is an important part of the Society's work and without these sources of income our ability to maintain a number of projects would be in doubt. We remain appreciative of all our funding bodies, Charitable Trusts, Primary Care Trusts and our many thousands of individual donors.

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Trustees also acknowledge that Galloways Enterprise Ltd (GEL Ltd) the trading subsidiary has been in a net liability position for the past two years. This is mainly down to the closure of the café for 9 months of the year due to COVID. Brew Me Sunshine cafe was established in 2017 by Galloway's to bring sight loss into the heart of the Morecambe community and has built an outstanding reputation over the past three years as a community hub and we want that to continue, both in the quality of service and the products we sell. Acknowledging the added value the cafe brings to the Charity trustees are happy to support the trading company in the short term until it comes back to a positive position.

During the year the last active member of the Scheme left the Charity's employment and therefore no further benefits were being built up in the Scheme and the pension deficit liability crystallised. The trustees requested a valuation of this liability from the Actuary and £221,000 has been recognised as a liability in "other creditors" on the balance sheet. The liability is payable immediately however the trustees will be seeking approval to pay in instalments.

Investment policy and performance

Our primary investment advisors (Brown Shipley Private Banking) are instructed to produce the best financial return with a medium level of risk. The investment objective is to generate a return in excess of inflation over the long term whilst generating an income to support the charity's ongoing activities. The Investment Sub-Committee receives advice from Brown Shipley at their quarterly meetings to review the portfolio of stock- market investments.

During the year the investments have only brought in an income of £148,182 which was lower than the budgeted income due to the impact of COVID. The market value of investments was £6,313,957 as at the year ending 31 March 2021. The movement in fixed asset investments is shown in note 13.

Risk management

The Trustees are ever mindful of potential risks to the organisation and regularly review and evaluate policies and procedures, ensuring that all risks to the Society are mitigated as far as possible. The new three year business plan will include annual key performance indicators which will be reviewed on a regular basis and achievements and outcomes evaluated against it. Professional advice is obtained across a variety of areas from Insurance, Investments, Health and Safety and Employment matters.

The main risk beyond the control of the Trustees has been identified as a possible fall off in support from the general public leading to reduced income. This at a time when shrinking public services means that the numbers of visually impaired people requesting services/support from the Society continues to increase year on year would have serious consequences and no doubt affect our ability to continue the range and breadth of services currently available.

Mindful of this, the Trustees have set in place strategies to develop income from legacies and maintain a high profile within the local community. A key element of managing this risk is to diversify the Society's income streams which is why the Trustees agreed to invest in new fundraising initiatives in this financial year.

The trustees consider variability of investment returns on the designated investment fund to constitute a financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

Fundraising and communication activities

The Fundraising and Communications Team has continued to develop income streams from previous years alongside introducing new initiatives to ensure that the charity is appealing to as wide an audience as possible whilst keeping the brand at the heart of local communities through a wide variety of platforms. It is clear that traditional fundraising methods are seeing diminishing returns across the sector and so it is critical that we continue to explore new opportunities to generate income and engage with the public. There is a continued effort to promote legacies and to maximise on Gift Aid.

The continued and impressive development of our communication tools, including social media, has enabled us to reach audiences that otherwise Galloway's would not touch. This enables Galloway's to provide accessible information on sight related issues, raise the profile of our work and spread the important message regarding preventable sight loss. The importance of positive, professional and innovative communications work is recognised as a cross cutting theme across all that we do.

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Galloway's is registered with the Fundraising Regulator and follows their Code of Fundraising practice along with Institute of Fundraising and Charity Commission guidelines. When we do work with external agencies we prefer those who are members of the Institute of Fundraising and registered with the Fundraising Regulator. They will also be required to have policies and procedures in place to ensure an ethical and positive delivery of service to any potential supporters.

Ongoing management of any external agencies is key, following rigorous training we will also carry out mystery shopping and speak to supporters they have interacted with to monitor procedures. Galloway's follows a Vulnerable Persons policy and all fundraising practice would adhere to this, when working with external agencies we would also want to see that they have a similar policy in place and procedures to deal with such situations.

We have not had any complaints about our fundraising practices in the year.

Reserves policy

Total funds held as at 31 March 2021 were £9,177,997. The balance held as unrestricted reserves as at 31 March 2021 was £2,082,206 of which £1,893,753 is designated (note 17), £17,309 was made up of fixed assets leaving free reserves of £171,144.

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately six months of unrestricted charitable expenditure. Even though the reserves as at 31st March 2021 doesn't meet the required level the trustees are of the view that the Hedleys investment funds can be liquidated as and when required. Trustees acknowledge that this has been an exceptional year and will continue to review the reserves policy in line with the new normal for Galloways.

In addition, total funds include:

- Investment funds £5,852,957. These are shares held in the investment portfolio to generate income for the operational needs of the charity. The value of the fund itself can only be realised by disposing of the related investments.
- Restricted funds £469,870
- Permanent endowment fund £782,964

Structure, governance and management

The charity is managed by a Board of Trustees with day to day management entrusted to the Chief Executive and the Management Team. The Trustees meet at least six times per year and consider reports prepared by the Chief Executive and the Management Team.

The Trustees listed in the charity details have been appointed in accordance with the constitution which states they shall consist of up to 12 competent persons, four of whom shall be appointed each year and serve for three years after which time they will be eligible for re-election. Vacancies occurring among Trustees may be filled by the Trustees and any such person so chosen shall retain his or her office so long only as the vacating member would have retained the same if no vacancy had occurred.

The Trustees have according with the constitution appointed a Chairman, a Vice Chairman, Treasurer and Trustees responsible for Property. Four Trustees act as a Finance and Investment Sub-Committee with responsibility for dealing with the financial affairs of the charity.

Policies and procedures for the appointment, induction and training of trustees

Many members of the Board of Trustees have served the charity for a considerable number of years, and in recent times there have been a number of Trustees retiring from Board. Therefore, Trustees took the opportunity to recruit new Trustees who were able to meet the identified skills deficit on the Board. As a result of a rigorous selection process, four new Trustees joined the Board in February 2020. One additional Trustee joined the Board in February 2021. All new Trustees were asked to sign a declaration under the Charities Act 2011 confirming that they are eligible to serve as a Trustee. A Trustee Induction Pack was then sent out which includes information from the Charity Commission regarding the roles and responsibilities of Trustees, the Society's Strategic Plan, Organisational Structure and various other policies and information.

Unfortunately, the planned induction process was interrupted by the COVID-19 pandemic and so took place later in 2020.

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Key management personnel remuneration

The Trustees consider the Board of Trustees and the Chief Executive, assisted by the Senior Leadership Team, as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The pay of the charity's Chief Executive and Senior Management Team is benchmarked at the time of appointment and is reviewed periodically.

Staff, volunteers and beneficiaries

The Society recognises that its staff and volunteers are its greatest asset and so is fortunate to maintain a very loyal and dedicated workforce. The charity undertakes to implement policies to provide security of employment, a safe working environment, reward staff appropriately and take into account their views. Training and development for our staff and volunteers is critical to ensure we update our core competencies and provide the highest quality service as possible to our beneficiaries.

The Society has built up a very hardworking and dedicated staff team. This was particularly evident through the COVID year and evidenced by the incredible range and reach of services designed and delivered throughout the pandemic. Our grateful thanks are recorded to each and every one of our staff for their amazing dedication, drive and sheer hard work.

The success of the charity's activities relies heavily on in excess of 200 active volunteers who help with many activities and services including; talking newspaper recordings, street and store collections, fundraising events, minibus driving, visiting, running support groups, administration and reception and outdoor pursuits. During the COVID year volunteers were largely unable to be involved in our charitable activities.

All employees are appointed subject to two satisfactory references and where appropriate a Disclosure and Barring Service (DBS) check. All volunteers receive appropriate induction and are offered ongoing training.

The charity relates to beneficiaries in a number of ways, via direct services, user groups, newsletters in various formats, the Annual Report and the Annual Meeting/Conference. The opinions of service users drives the development of services and this information is collected through formal meetings, surveys, feedback forms, one to one discussions and social networks. Involving beneficiaries in our planning and delivery of services is key to our culture. This has and continues to be a focus across all areas of the Society.

Subsidiaries: Lancashire Vision Services Limited & Galloways Enterprise Limited (Note 11)

The Society has two subsidiaries. A summary of the results of both trading companies is shown in note 11 and the statutory accounts for the respective companies will be filed with the Registrar of Companies.

Four charity trustees act as Directors of the two companies, which are being developed as the charity's trading arm, limiting any potential risk to the charity. The profits of the trading subsidiaries are covenanted to the Society.

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Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a Trustees report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

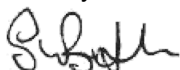
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping 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 Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' responsibilities in relation to the financial statements (continued)

The trustees are responsible for the maintenance and integrity of the charity and financial information included in the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on15.11.2021..... and signed on their behalf by:



.....
S K Booth – Chair of Trustee

GALLOWAY'S SOCIETY FOR THE BLIND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

Qualified opinion

We have audited the financial statements of Galloway's Society for the Blind (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Group Statement of Financial Activities, Charity Statement of Financial Activities, Group Balance Sheet, Charity Balance Sheet, Group Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the potential financial effect of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2021, and of group's 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 Charities Act 2011.

Basis for qualified opinion arising from limitation in audit scope

During the prior year certain eligible employees were members of a local authority defined benefit pension scheme. The proportion of the pension scheme assets and liabilities attributable to the charity at 31 March 2020 was determinable, and the pension scheme should therefore have been accounted for as a defined benefit pension scheme in accordance with Financial Reporting Standard 102 (FRS 102). However, the trustees did not believe that it is a worthwhile use of the charity's resources to pay for the actuarial report which would have been required to determine the charity's share of assets and liabilities calculated in accordance with FRS 102 and to enable the appropriate disclosures to be made.

The deficit attributable to Galloway's Society for the Blind for future contribution purposes at 31 March 2019 was £nil and the trustees recognised this in the prior year balance sheet and have accounted for the contributions paid to the scheme in the year in the Statement of Financial Activities. As the scheme deficit had not been calculated in accordance with FRS 102, we were unable to quantify the impact of the non-compliance with the standard in the prior year.

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 group and parent 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 qualified opinion.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (continued)

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 group's or parent charitable company'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.

Other information

The other information comprises the information included in the trustees' 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, except to the extent otherwise explicitly stated in our report, 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

In respect solely of the limitation on our work relating to the value of the pension scheme deficit and the related disclosure:

- we have not received all the information and explanations we require for our audit.

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 parent charity's financial statements are not in agreement with the accounting records.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements which 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 group's and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Moore and Smalley

MHA Moore and Smalley
Chartered Accountants & Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

07/12/2021

GALLOWAY'S SOCIETY FOR THE BLIND

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted Funds £	Investment fund £	Restricted funds £	Permanent Endowment Funds £	2021 Total £	2020 Total £
	Note						
Income from:							
Donations and legacies	2	213,376	-	298,243	-	511,619	388,722
Charitable activities	3	80,735	-	-	-	80,735	79,127
Trading activities	4	87,485	-	-	-	87,485	272,523
Fundraising activities	5	12,009	-	-	-	12,009	85,565
Investment income	6	148,182	-	-	-	148,182	212,011
Total income		541,787	-	298,243	-	840,030	1,037,948
Expenditure on:							
Charitable activities	9	711,916	-	373,944	13,725	1,099,585	1,047,958
Raising funds	10	255,482	-	-	-	255,482	340,108
Investment management		32,190	-	-	-	32,190	34,010
Total expenditure		999,588	-	373,944	13,725	1,387,257	1,422,076
Net income/(expenditure) before other gains and losses		(457,801)	-	(75,701)	(13,725)	(547,227)	(384,128)
Net gains on investments	13	-	1,150,520	-	-	1,150,520	(781,343)
Remeasurement gain on defined benefit pension plan		-	-	-	-	-	150,300
		-	1,150,520	-	-	1,150,520	(631,043)
Net income/(expenditure) for the year		(457,801)	1,150,520	(75,701)	(13,725)	603,293	(1,015,171)
Transfers between funds	17	438,909	(438,909)	-	-	-	-
Net movement in funds		(18,892)	711,611	(75,701)	(13,725)	603,293	(1,015,171)
Total funds brought forward		2,101,098	5,131,346	545,571	796,689	8,574,704	9,589,875
Total funds carried forward		2,082,206	5,842,957	469,870	782,964	9,177,997	8,574,704

All activities are classed as continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

GALLOWAY'S SOCIETY FOR THE BLIND

CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds £	Investment fund £	Restricted funds £	Permanent Endowment Funds £	2021 Total £	2020 Total £
Income from:						
Donations and legacies	189,825	-	298,243	-	488,068	389,857
Charitable activities	80,735	-	-	-	80,735	79,127
Trading activities	71,246	-	-	-	71,246	160,221
Fundraising activities	12,009	-	-	-	12,009	85,565
Investment income	148,182	-	-	-	148,182	212,011
Other income	-	-	-	-	-	-
Total income	501,997	-	298,243	-	800,240	926,781
Expenditure on:						
Charitable activities	667,587	-	373,944	13,725	1,055,256	950,288
Raising funds	237,226	-	-	-	237,226	315,190
Investment management	32,190	-	-	-	32,190	34,010
Total expenditure	937,003	-	373,944	13,725	1,324,672	1,299,488
Net income/(expenditure) before other gains and losses	(435,006)	-	(75,701)	(13,725)	(524,432)	(372,707)
Net gains on investments	-	1,150,520	-	-	1,150,520	(781,343)
Remeasurement gain on defined benefit pension plan	-	-	-	-	-	150,300
	-	1,150,520	-	-	1,150,520	(631,043)
Net income/(expenditure) for the year	(435,006)	1,150,520	(75,701)	(13,725)	626,088	(1,003,750)
Transfers between funds	438,909	(438,909)	-	-	-	-
Net movement in funds	3,903	711,611	(75,701)	(13,725)	626,088	(1,003,750)
Total funds brought forward	2,108,276	5,131,546	545,571	796,689	8,582,082	9,585,832
Total funds carried forward	2,112,179	5,843,157	469,870	782,964	9,208,170	8,582,082

All activities are classed as continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

GALLOWAY'S SOCIETY FOR THE BLIND

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		3,129,097		3,229,608
Investments	13		6,313,957		5,328,633
			<u>9,443,054</u>		<u>8,558,241</u>
Current assets					
Stock		3,415		6,146	
Debtors	14	79,435		71,094	
Cash at bank and in hand		42,627		42,233	
		<u>125,477</u>		<u>119,473</u>	
Creditors: amounts falling due within one year	15	<u>(390,534)</u>		<u>(103,010)</u>	
Net current assets			<u>(265,057)</u>		<u>16,463</u>
Total assets less current liabilities			<u>9,177,997</u>		<u>8,574,704</u>
Creditors: amounts falling due after more than one year	16		<u>-</u>		<u>-</u>
Net assets			<u>9,177,997</u>		<u>8,574,704</u>
Charity funds:					
Unrestricted funds			188,453		134,767
Designated funds			1,893,753		1,966,331
Investment funds			5,842,957		5,131,346
Endowment funds			782,964		796,689
Restricted funds			<u>469,870</u>		<u>545,571</u>
Total funds	17		<u>9,177,997</u>		<u>8,574,704</u>

The financial statements were approved by the trustees on.....15.11.2021..... and signed on their behalf by:



S K Booth – Chair



J Bretherton – Treasurer

GALLOWAY'S SOCIETY FOR THE BLIND

CHARITY BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	12		3,128,033		3,227,985
Investments	13		6,314,157		5,328,833
			<u>9,442,190</u>		<u>8,556,818</u>
Current assets					
Stock		-		-	
Debtors	14	134,509		91,843	
Cash at bank and in hand		<u>29,887</u>		<u>40,253</u>	
		<u>164,396</u>		<u>132,096</u>	
Creditors: amounts falling due within one year	15	<u>(398,416)</u>		<u>(106,832)</u>	
Net current assets			<u>(234,020)</u>		<u>25,264</u>
Total assets less current liabilities			<u>9,208,170</u>		<u>8,582,082</u>
Creditors: amounts falling due after more than one year	16		<u>-</u>		<u>-</u>
Net assets			<u>9,208,170</u>		<u>8,582,082</u>
Charity funds:					
Unrestricted funds			218,426		141,945
Designated funds			1,893,753		1,966,331
Investment funds			5,843,157		5,131,546
Endowment funds			782,964		796,689
Restricted funds			<u>469,870</u>		<u>545,571</u>
Total funds	17		<u>9,208,170</u>		<u>8,582,082</u>

The financial statements were approved by the trustees on.....15.11.2021.....signed on their behalf by:



S K Booth – Chair



J Bretherton – Treasurer

GALLOWAY'S SOCIETY FOR THE BLIND

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flow from operating activities	A	(312,984)	(486,822)
Cash flow from investing activities			
Net cashflow from investments	B	313,378	314,123
Proceeds from sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		-	-
Net cash flow from investing activities		313,378	314,123
Net increase/(decrease) in cash and cash equivalents		394	(172,699)
Cash and cash equivalents brought forward		42,233	214,932
Cash and cash equivalents carried forward		42,627	42,233
Consists of:			
Cash at bank		41,435	41,315
Cash in hand		1,192	918
		42,627	42,233

Notes to cash flow statement

A	Reconciliation of cash flow from operating activities		
	Net income for the year	603,293	(1,015,171)
	Investment income received	(148,182)	(212,011)
	Net gains on investments	(1,150,520)	(781,343)
	Depreciation of tangible assets	100,511	121,823
	Remeasurement (gain) / loss on defined benefit pension plan	-	(150,300)
	Profit on disposal of tangible fixed assets	-	-
	Decrease/(increase) in stock	2,731	2,895
	Decrease/(increase) in debtors	(8,341)	1,239
	(Decrease)/increase in creditors	287,524	(16,640)
	Net cash flow from operating activities	(312,984)	(486,822)
B	Cash flow from investing activities		
	Investment income received	148,182	212,011
	Purchase of investments	(1,950,691)	(967,677)
	Cash released from sale of investments	1,958,516	1,163,179
	(Increase)/decrease in short term deposits	157,371	(93,390)
	Net cash flow from investments	313,378	314,123

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below.

General information, basis of preparation and assessment of going concern

The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and group.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. As we come out of the pandemic the financial downturn in the year 2020-21 due to coronavirus is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Funds structure

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

Funds structure (continued)

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

Income recognition (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Income from service level agreements is recognised when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

The charity is not registered for VAT; consequently expenditure incurred by the charity is included in the financial statements inclusive of VAT charged as this cannot be recovered by the charity.

Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Operating leases

Rentals payable under operating leases are charged to expenditure on a straight line basis over the lease term.

Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or deemed cost where the option in FRS102 to use a fair value of an asset at transition as deemed cost has been taken, less accumulated depreciation and impairment losses.

All assets costing more than £2,000 and having a useful economic life of more than four years are capitalised and included at cost which includes costs directly attributable to making the asset capable of operating as intended.

Assets are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

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

Property refurbishment	-	7 years
Fixtures and fittings	-	5 years
Café and computer equipment	-	4 years
Motor vehicles	-	5 years (fully depreciated)

Freehold land and property:

Freehold land	-	Nil
Freehold buildings	-	30 and 40 years

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains/ (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. 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 their carrying value at the year end and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Other investments including shares in subsidiaries are measured at cost less impairment.

Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

All the charity's financial assets fall to be classed as basic financial assets and the charity therefore has no other financial assets.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

All the charity's financial liabilities fall to be classed as basic financial liabilities and the charity therefore has no other financial liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Consolidation of wholly owned trading subsidiaries

The consolidated financial statements incorporate those of Galloway's Society For The Blind and its subsidiary undertakings, Lancashire Vision Services Limited and Galloways Enterprises Limited, (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by the group.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (continued)

Consolidation of wholly owned trading subsidiaries (continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Related charities

Five of the trustees of Galloway's Society for the Blind are also trustees of the charitable company Sightline Vision (North West) Limited (charity number 1096452). The trustees do not consider this charity to be under common control since there are additional trustees on both Boards, therefore the accounts of Sightline Vision (North West) Limited are not consolidated within these accounts.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Defined contribution pension scheme

Employees of the charity are entitled to join the Auto Enrolment defined contribution 'money purchase' scheme. The charity also makes contributions to several employees' private pension schemes. The costs of the defined contribution schemes are included within support and governance costs and charged to the unrestricted funds of the charity.

Defined benefits pension scheme

The charity operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

During the year the last active member of the Scheme left the Charity's employment and therefore no further benefits were being built up in the Scheme and the pension deficit liability crystallised. The trustees requested a valuation of this liability from the Actuary and £221,000 has been recognised as a liability in "other creditors" on the balance sheet. The liability is payable immediately however the trustees will be seeking approval to pay in instalments.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

Judgements and key sources of estimation uncertainty

The following judgements and assumptions have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Calculation of the defined benefit pension scheme liability

The charity participates in a multi-employer defined benefit scheme operated through Lancashire County Council. The fund is valued at least every three years by a professionally qualified independent actuary and the deficit deemed by the actuary to be attributable to the charity for contribution purposes is taken to be the value of the liability in the accounts.

In previous years, the trustees did not believe that it was a worthwhile use of the charity's resources to pay for an actuarial report which would be required to determine the charity's share of assets and liabilities in accordance with FRS 102. Therefore, the valuation included in the accounts was an estimate based on the last triennial valuation at 31 March 2019. The audit report has been qualified in this respect.

Impairment of tangible fixed assets

At the end of the reporting period, management undertake an assessment of the net book values of tangible fixed assets, including properties, compared to recoverable amount. The recoverable amount is the higher of net realisable value and value in use. The recoverable amount, for the purposes of the impairment review, is estimated and therefore may differ from actual recoverable amount. Where necessary, an impairment charge is recognised in the statement of financial activities.

2 Income from donations and legacies

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £
Donations and gifts	68,297	-	-	-	68,297
Legacies	12,229	-	-	-	12,229
Collections	1,378	-	-	-	1,378
Grants	119,092	-	298,243	-	417,335
Gift Aid	12,380	-	-	-	12,380
	213,376	-	298,243	-	511,619
	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2020 £
<i>Donations and gifts</i>	39,188	-	-	-	39,188
<i>Legacies</i>	142,402	-	5,000	-	147,402
<i>Collections</i>	8,970	-	-	-	8,970
<i>Grants</i>	91,236	-	88,530	-	179,766
<i>Gift Aid</i>	13,396	-	-	-	13,396
	295,192	-	93,530	-	388,722

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

3 Charitable activities

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Service level agreements	61,029	-	-	-	61,029	41,455
Low vision assessments	19,329	-	-	-	19,329	20,380
Service user activities	1,738	-	-	-	1,738	16,077
'Access to Work' support	(1,361)	-	-	-	(1,361)	1,215
	80,735	-	-	-	80,735	79,127

All of the income from charitable activities in the current and previous years was attributed to unrestricted funds.

4 Trading activities

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Office rental income	33,170	-	-	-	33,170	97,697
Bungalows rental income	36,113	-	-	-	36,113	35,264
Hiring of social rooms	(360)	-	-	-	(360)	24,318
Visual awareness training	1,275	-	-	-	1,275	2,125
Management charges	-	-	-	-	-	(1,309)
Galloway's – Café income	-	-	-	-	-	-
Other trading income	1,144	-	-	-	1,144	3,126
LVS – sale of equipment	791	-	-	-	791	19,065
GE – Café income	15,352	-	-	-	15,352	92,237
	87,485	-	-	-	87,485	272,523

All of the income from trading activities in the current and previous years was attributed to unrestricted funds.

5 Fundraising activities

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Fundraising events	1,270	-	-	-	1,270	47,268
Corporate and community	2,720	-	-	-	2,720	22,098
Lotteries and raffles	6,961	-	-	-	6,961	8,520
Merchandise	1,058	-	-	-	1,058	7,679
	12,009	-	-	-	12,009	85,565

All of the income from fundraising activities in the current and previous years was attributed to unrestricted funds.

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

6 Investment income

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £	2020 £
Dividends and interest	148,127	-	-	-	148,127	211,919
Interest on deposits	55	-	-	-	55	92
	148,182	-	-	-	148,182	212,011

All of the income from investments in the current and previous years was attributed to unrestricted funds.

7 Employee costs

	Fundraising and comms £	Delivery of services £	Café £	Governance £	Total 2021 £
Wages and salaries	186,401	472,983	41,748	7,304	708,436
Social security costs	15,951	36,803	1,060	-	53,814
DC & DB pension costs	6,816	18,286	962	-	26,064
	209,168	528,072	43,770	7,304	788,314
DB pension deficit contributions	-	221,000	-	-	221,000
	209,168	749,072	43,770	7,304	1,009,314

Included within wages and salaries is one non-statutory severance payment of £6,074. This had been fully paid at the year end. In addition £221,000 has been recognised this year relating to the define benefit pension scheme liability that has crystallised as explained on page 24.

	Fundraising and comms £	Delivery of services £	Café £	Governance £	Total 2020 £
Wages and salaries	208,897	484,487	56,593	7,304	757,281
Social security costs	17,069	25,928	2,343	-	45,340
DC & DB pension costs	7,411	19,561	1,652	-	28,624
	233,377	529,976	60,588	7,304	831,245
DB pension deficit contributions	-	17,200	-	-	17,200
	233,377	547,176	60,588	7,304	848,445

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

8 Employee costs (continued)

	2021 Number	2021 FTE	2020 Number	2020 FTE
Fundraising and communications	9	7	13	8
Charitable activities – delivery of services	30	17	36	19
Café	-	-	-	-
Governance	1	1	1	1
Galloway's Enterprises Limited	6	2	6	2
	46	27	56	30

High paid staff

The number of staff whose emoluments fell within the following bands are:

	2021 Number	2020 Number
£60,000 - £69,999	1	1

Trustees and key management personnel remuneration and expenses

The Trust considers its key management personnel comprise the Trustees, Chief Executive Officer and the Senior Management Team.

	2021 £	2020 £
Wages and salaries	171,032	165,197
Social security costs	18,759	18,238
Pension costs	9,575	10,030
	199,366	193,465

The charity trustees were not paid and did not receive any other benefits from employment with the charity or its subsidiaries in the year (2020: £nil), neither were there reimbursed expenses during the year (2020: £nil). Trustees made donations to the charity totalling £nil (2020: £nil).

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £
Staff costs	211,547	-	360,295	-	571,842
Café	-	-	-	-	-
Service user activities	6,578	-	-	-	6,578
Property costs	36,512	-	-	-	36,512
Insurances	11,186	-	-	-	11,186
Office administration	30,628	-	-	-	30,628
Repairs and maintenance	57,495	-	-	-	57,495
Property refurbishment	49	-	-	-	49
Motor expenses	10,341	-	-	-	10,341
Other staff/volunteer costs	4,018	-	-	-	4,018
Publications expenditure	-	-	-	-	-
Legal and professional fees	28,459	-	-	-	28,459
Depreciation	73,137	-	13,649	13,725	100,511
Pension deficit contributions	221,000	-	-	-	221,000
Other	396	-	-	-	396
Governance costs	20,570	-	-	-	20,570
	711,916	-	373,944	13,725	1,099,585

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2020 £
Staff costs	547,284	-	43,280	-	590,564
Café	36,523	-	-	-	36,523
Service user activities	37,990	-	-	-	37,990
Property costs	43,860	-	-	-	43,860
Insurances	9,532	-	-	-	9,532
Office administration	35,175	-	315	-	35,490
Repairs and maintenance	73,240	-	-	-	73,240
Property refurbishment	3,268	-	-	-	3,268
Motor expenses	18,651	-	1,800	-	20,451
Other staff/volunteer costs	18,153	-	700	-	18,853
Publications expenditure	612	-	-	-	612
Legal and professional fees	6,918	-	-	-	6,918
Depreciation	91,823	-	16,274	13,726	121,823
Pension deficit contributions	17,200	-	-	-	17,200
Other	12,186	-	-	-	12,186
Governance costs	19,448	-	-	-	19,448
	971,863	-	62,369	13,726	1,047,958

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities (continued)

Analysis of governance costs

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £
Governance support - salary	7,304	-	-	-	7,304
AGM and office costs	56	-	-	-	56
Auditor's remuneration	13,210	-	-	-	13,210
	20,570	-	-	-	20,570

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2020 £
Governance support - salary	7,304	-	-	-	7,304
AGM and office costs	1,380	-	-	-	1,380
Auditor's remuneration	10,764	-	-	-	10,764
	19,448	-	-	-	19,448

Analysis of auditor's remuneration

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £
Audit of charity accounts	8,850	-	-	-	8,850
Other services	4,360	-	-	-	4,360
	13,210	-	-	-	13,210

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2020 £
Audit of charity accounts	8,600	-	-	-	8,600
Other services	2,164	-	-	-	2,164
	10,764	-	-	-	10,764

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

10 Raising Funds

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2021 £
Staff costs	209,168	-	-	-	209,168
Grant funded activities	14,805	-	-	-	14,805
Fundraising events	551	-	-	-	551
Promotional expenses	7,190	-	-	-	7,190
Other staff/volunteer costs	625	-	-	-	625
Office administration	13,494	-	-	-	13,494
LVS - equipment purchases	-	-	-	-	-
GE - Café purchases	2,689	-	-	-	2,689
	248,522	-	-	-	248,522

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	2020 £
Staff costs	233,377	-	-	-	233,377
Grant funded activities	-	-	24,863	-	24,863
Fundraising events	29,582	-	-	-	29,582
Promotional expenses	15,340	-	-	-	15,340
Other staff/volunteer costs	2,817	-	-	-	2,817
Office administration	26,394	-	-	-	26,394
LVS - equipment purchases	7,735	-	-	-	7,735
GE - Café purchases	-	-	-	-	-
	315,245	-	24,863	-	340,108

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

11 Trading Subsidiary

The charity has two wholly owned subsidiaries incorporated in the United Kingdom. Lancashire Vision Services Limited (02844404) sells donated and purchased goods together with distribution of braille leaflets and talking newspapers. During the year the Charity transferred the activities of its Café in Morecambe into its trading subsidiary, Galloway's Enterprises Limited (10901305). A summary of the results of both trading companies is shown below and accounts will be filed with the Registrar of Companies.

	2021	2021	2020	2020
	Lancashire Vision Services Limited £	Galloway's Enterprises Limited £	Lancashire Vision Services Limited £	Galloway's Enterprises Limited £
Turnover	791	15,352	19,065	92,237
Cost of sales	(2,729)	(46,694)	(7,735)	(90,468)
Administrative expenses	(879)	(12,324)	(1,474)	(22,911)
Profit/(loss) for the year	(2,817)	(43,666)	9,856	(21,142)
Charitable donations to the charity	-	-	(1,135)	-
Other Operating Income	-	23,647	-	1,000
Retained profit/(loss) for the year	(2,817)	(20,019)	8,721	(20,142)
Fixed assets	-	1,064	-	1,623
Current assets	17,205	13,719	21,239	5,203
Current liabilities	(1,935)	(60,066)	(3,152)	(32,091)
Net assets	15,270	(45,283)	18,087	(25,265)
Ordinary share capital	100	100	100	100
Profit and loss account	15,170	(45,383)	17,987	(25,365)
	15,270	(45,283)	18,087	(25,265)

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets - group

	Freehold land and buildings £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
<i>At 1 April 2020</i>	4,055,597	169,790	102,605	4,327,992
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	4,055,597	169,790	102,605	4,327,992
Depreciation and impairment				
<i>At 1 April 2020</i>	877,436	152,280	68,668	1,098,384
Charge for the year	79,177	15,584	5,750	100,511
Eliminated on disposal	-	-	-	-
At 31 March 2021	956,613	167,864	74,418	1,198,895
Net book value				
At 31 March 2021	3,098,984	1,926	28,187	3,129,097
<i>At 31 March 2020</i>	<i>3,178,161</i>	<i>17,510</i>	<i>33,937</i>	<i>3,229,608</i>
Tangible fixed assets – charity				
	Freehold land and buildings £	Fixtures and equipment £	Motor vehicles £	Total £
Cost or deemed cost				
<i>At 1 April 2020</i>	4,055,597	163,975	102,605	4,322,177
Additions	-	-	-	-
Disposal	-	-	-	-
At 31 March 2021	4,055,597	163,975	102,605	4,322,177
Depreciation and impairment				
<i>At 1 April 2020</i>	877,436	148,088	68,668	1,094,192
Charge for year	79,177	15,025	5,750	99,952
Disposal	-	-	-	-
At 31 March 2021	956,613	163,113	74,418	1,194,144
Net book value				
At 31 March 2021	3,098,984	862	28,187	3,128,033
<i>At 31 March 2020</i>	<i>3,178,161</i>	<i>15,887</i>	<i>33,937</i>	<i>3,227,985</i>

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets (continued)

Certain freehold land and buildings included above are shown at deemed cost on transition to SORP (FRS102). These assets are being depreciated from their valuation date of 31 March 2014 and have a net book value of £1,609,085 (2020: £1,655,163).

The independent professional valuation undertaken at 31 March 2014 was carried out by Amcat (UK) Ltd. All valuations have been undertaken in accordance with the RICS Valuation – Professional Standards UK, January 2014 (revised April 2015). Only fixed items of plant and machinery, which form part of the buildings structure or service installation, were included in the valuations.

Land and buildings at Balmoral Road, Morecambe are carried at cost less depreciation to date. An independent open market valuation was carried out on 31 March 2016, on completion of the building work, valuing the property at £350,000. However, in light of the ongoing use of the property by the Charity for specialist purposes, in accordance with the SORP, no impairment provision is required.

13 Movement in fixed asset investments (charity and group)

	Total listed investments £	Cash held in investment portfolio £	Total 2021 £	Total 2020 £
Market value brought forward	5,131,346	197,287	5,328,633	6,212,088
Additions at cost	1,950,691	-	1,950,601	967,677
Disposals at carrying value	(1,958,516)	-	(1,958,516)	(1,163,179)
Unrealised gain/(loss)	1,150,520	-	1,150,520	(781,343)
Movement in temporary deposit	-	(157,371)	(157,371)	93,390
Market value at 31 March 2021	6,274,041	39,916	6,313,957	5,328,633
Investment in subsidiaries				
200 (2020: 200) £1 ordinary shares			200	200
Total fixed asset investments			6,314,157	5,328,833
	2021 Cost £	2021 Market value £	2020 Cost £	2020 Market value £
Investments comprise				
Collectives	757,311	774,384	516,858	474,815
Equities	3,380,447	4,315,150	3,743,890	3,823,153
Fixed interest securities	1,186,944	1,184,506	918,897	833,377
Cash held within portfolio	39,917	39,917	197,288	197,288
Market value at 31 March 2021	5,364,619	6,313,957	5,376,933	5,328,633

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

13 Movement in fixed asset investments (charity and group) (continued)

There were no individual investments in excess of 5% of the total market value.

	2020 £	2019 £
Net realised gains in year	243,192	73,221
Net unrealised gains in year	907,328	(854,564)
	1,150,520	(781,343)

14 Debtors

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade debtors	33,422	33,539	26,937	24,002
Other debtors	-	-	-	-
Amounts due from group undertakings	-	54,957	-	23,684
Amounts due from related charities	-	-	-	-
Prepayments and accrued income	46,013	46,013	44,157	44,157
	79,435	134,509	71,094	91,843

15 Creditors: amounts falling due within one year

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	28,387	23,343	23,433	18,333
Accruals and deferred income	65,246	63,286	46,102	44,246
Other creditors	281,689	281,689	9,650	9,650
Taxation and social security	13,732	13,732	19,400	14,801
Amounts owed to group undertakings	-	14,886	-	15,377
Amounts owed to related charities	1,480	1,480	4,425	4,425
	390,534	398,416	103,010	106,832

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

15 Creditors: amounts falling due within one year (continued)

Accruals and deferred income includes amounts deferred into future periods for where income relates to events due to take place or work to be performed after the year end as follows:

	2021 £	2020 £
Balance brought forward	27,143	13,126
Amounts released in the year	(13,126)	(13,126)
Amounts deferred at the year end	27,143	27,143
	<hr/>	<hr/>
Balance carried forward	41,160	27,143
	<hr/>	<hr/>

16 Provisions for liabilities – Pension contributions and commitments Defined contribution money purchase pension plans:

The charity also operates various contributory pension schemes for two employees (2020: two). They are personal defined contribution schemes and contributions are charged in the statement of financial activities as they accrue. A defined contribution pension scheme was introduced on 1 October 2015 for all eligible employees in compliance with Auto Enrolment Regulations. The amount recognised as an expense in the year for employer defined contribution costs was £26,064 (2020: £28,624).

Multi-employer defined benefit pension plan:

The charity participates in a multi-employer defined benefit scheme for certain employees, operated through Lancashire County Council. The pension plan is revalued at least every three years by a professionally qualified independent actuary. Following the most recent actuarial valuation at March 2019, done for the purpose of setting future contribution rates, the actuary indicated that the surplus attributable to the charity for contribution purposes amounted to £124,300. On the basis that the charity would not be entitled to recover this surplus on a transfer out of scheme members, the deficit was reduced to nil in the prior year with no surplus recognised. The charity does not obtain an FRS102 valuation annually in line with the requirements of FRS102. During the year the last active member of the Scheme left the Charity's employment and therefore no further benefits were being built up in the Scheme and the pension deficit liability crystallised. The trustees requested a valuation of this liability from the Actuary and £221,000 has been recognised as a liability on the balance sheet (within other creditors). The liability is payable immediately however the trustees will be seeking approval to pay in instalments.

Deficit on pension fund	2021 £	2020 £
Lancashire County Council multi-employer defined benefit scheme		
Provision brought forward	-	150,300
Increase/(reduction) in provision for liability	-	(150,300)
	<hr/>	<hr/>
Provision carried forward	-	-
	<hr/>	<hr/>

The latest report by the LCC actuary Mercer Limited was prepared as at 31 March 2019. The report showed that the market value of the scheme's assets was £8,410 million and that the actuarial value of those assets represented 100% of the benefits that had accrued to members, after allowing for expected future increases in earnings. For the purposes of assessing the funding and contributions, the principal actuarial assumptions of the LCC scheme are based upon a discount rate of 3.80% per annum, and CPI inflation of 2.40% per annum and salary growth of 3.90% per annum long term.

The charity's contributions represent a minor proportion of the payments into the schemes.

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

17 a) i) Fund reconciliation – group (current year)

	Balance at 1 April 2020 £	Income £	Expenditure £	Other gains and losses £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds						
General fund	134,767	541,787	(927,010)	-	438,909	188,453
Designated funds						
Assets in use by the charity	1,964,302	-	(72,578)	-	-	1,891,724
Southport Macular Group	2,029	-	-	-	-	2,029
	1,966,331	-	(72,578)	-	-	1,893,753
Total unrestricted funds	2,101,098	541,787	(999,588)	-	438,909	2,082,206
Investment funds	5,131,346	-	-	1,150,520	(438,909)	5,842,957
Restricted funds						
Howick Court bungalows	437,925	-	(8,700)	-	-	429,225
Southport Blind Aid Society	85,074	-	(44,429)	-	-	40,645
Other restricted funds	22,572	298,243	(320,815)	-	-	-
Total restricted funds	545,571	298,243	(373,944)	-	-	469,870
Endowment fund						
Howick House property	796,689	-	(13,725)	-	-	782,964
Total funds	8,574,704	840,030	(1,387,257)	1,150,520	-	9,177,997

17 a) ii) Analysis of net assets between funds – group (current year)

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	1,909,033	-	437,100	782,964	3,129,097
Investments	471,000	5,842,957	-	-	6,313,957
Current assets/liabilities	(297,827)	-	32,770	-	(265,057)
Pension provision	-	-	-	-	-
Total funds	2,082,206	5,842,957	469,870	782,964	9,177,997

GALLOWAY'S SOCIETY FOR THE BLIND

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FOR THE YEAR ENDED 31 MARCH 2021

17 b) i) Fund reconciliation – charity (current year)

	Balance at 1 April 2020 £	Income £	Expenditure £	Other gains and losses £	Transfers £	Balance at 31 March 2021 £
Unrestricted funds						
General fund	141,945	501,997	(864,425)	-	438,909	218,426
Designated funds						
Assets in use by the charity	1,964,302	-	(72,578)	-	-	1,891,724
Southport Macular Group	2,029	-	-	-	-	2,029
	1,966,331	-	(72,578)	-	-	1,893,753
Total unrestricted funds	2,108,276	501,997	(937,003)	-	438,909	2,112,179
Investment funds	5,131,546	-	-	1,150,520	(438,909)	5,843,157
Restricted funds						
Howick Court bungalows	437,925	-	(8,700)	-	-	429,225
Southport Blind Aid Society	85,074	-	(44,429)	-	-	40,645
Other restricted funds	22,572	298,243	(320,815)	-	-	-
Total restricted funds	545,571	298,243	(373,944)	-	-	469,870
Endowment fund						
Howick House property	796,689	-	(13,725)	-	-	782,964
Total funds	8,582,082	800,240	(1,324,672)	1,150,520	-	9,208,170

17 b) ii) Analysis of net assets between funds – charity (current year)

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	1,907,969	-	437,100	782,964	3,128,033
Investments	471,000	5,843,157	-	-	6,314,157
Current assets/liabilities	(266,790)	-	32,770	-	(234,020)
Pensions provision	-	-	-	-	-
Total funds	2,112,179	5,843,157	469,870	782,964	9,208,170

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

17 c) i) Fund reconciliation – group (prior year)

	Balance at 1 April 2019 £	Income £	Expenditure £	Other gains and losses £	Transfers £	Balance at 31 March 2020 £
Unrestricted funds						
General fund	199,365	944,418	(1,209,854)	150,300	50,538	134,767
Designated funds						
Assets in use by the charity	2,055,566	-	(91,264)	-	-	1,964,302
Southport Macular Group	2,029	-	-	-	-	2,029
Morecambe Bay Walk fund	-	-	(20,000)	-	20,000	-
Property refurbishment fund	-	-	-	-	-	-
	2,057,595	-	(111,264)	-	20,000	1,966,331
Total unrestricted funds	2,256,960	944,418	(1,321,118)	150,300	70,538	2,101,098
Investment funds	5,983,227	-	-	(781,343)	(70,538)	5,131,346
Restricted funds						
Howick Court bungalows	449,250	-	(11,325)	-	-	437,925
Southport Blind Aid Society	90,023	-	(4,949)	-	-	85,074
Eric Wright grant fund	-	65,958	(65,958)	-	-	-
Other restricted funds	-	27,572	(5,000)	-	-	22,572
Total restricted funds	539,273	93,530	(87,232)	-	-	545,571
Endowment fund						
Howick House property	810,415	-	(13,726)	-	-	796,689
Total funds	9,589,875	1,037,948	(1,422,076)	(631,043)	-	8,574,704

17 a) ii) Analysis of net assets between funds – group (prior year)

	Unrestricted funds £	Investment funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	1,994,994	-	437,925	796,689	3,229,608
Investments	197,287	5,131,346	-	-	5,328,633
Current assets/liabilities	(91,183)	-	107,646	-	16,463
Pensions provision	-	-	-	-	-
Total funds	2,101,098	5,131,346	545,571	796,689	8,574,704

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

17 d) i) Fund reconciliation – charity (prior year)

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Other gains and losses £</i>	<i>Transfers £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds						
General fund	195,322	833,251	(1,087,266)	150,300	50,338	141,945
Designated funds						
Assets in use by the charity	2,055,566	-	(91,264)	-	-	1,964,302
Southport Macular Group	2,029	-	-	-	-	2,029
Morecambe Bay Walk fund	-	-	(20,000)	-	20,000	-
Property refurbishment fund	-	-	-	-	-	-
	2,057,595	-	(111,264)	-	20,000	1,966,331
Total unrestricted funds	2,252,917	833,251	(1,198,530)	150,300	70,338	2,108,276
Investment funds	5,983,227	-	-	(781,343)	(70,338)	5,131,546
Restricted funds						
Howick Court bungalows	449,250	-	(11,325)	-	-	437,925
Southport Blind Aid Society	90,023	-	(4,949)	-	-	85,074
Eric Wright grant fund	-	65,958	(65,958)	-	-	-
Other restricted funds	-	27,572	(5,000)	-	-	22,572
Total restricted funds	539,273	93,530	(87,232)	-	-	545,571
Endowment fund						
Howick House property	810,415	-	(13,726)	-	-	796,689
Total funds	9,585,832	926,781	(1,299,488)	(631,043)	-	8,582,082

17 d) ii) Analysis of net assets between funds – charity (prior year)

	<i>Unrestricted funds £</i>	<i>Investment funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total £</i>
Tangible fixed assets	1,993,371	-	437,925	796,689	3,227,985
Investments	197,287	5,131,546	-	-	5,328,833
Current assets/liabilities	(82,382)	-	107,646	-	25,264
Pensions provision	-	-	-	-	-
Total funds	2,108,276	5,131,546	545,571	796,689	8,582,082

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

17 e) Fund reconciliation

Permanent endowment fund

Howick House was donated to the charity by the William Wilding Galloway Charity during 1997/98. The property was revalued in March 2014 and the revalued amount has been treated as deemed cost on transition under the SORP (FRS102) at 1 April 2014. Depreciation calculated to write off the value of the building over a period of 40 years is charged to the fund.

Restricted funds

Howick Court bungalows

The properties were revalued at March 2014 and the revalued amount has been treated as deemed cost on transfer under SORP (FRS102) at 1 April 2014. Depreciation calculated to write off the value of the building over a period of 40 years is charged to the fund.

Southport fund

Southport Blind Aid Society donated all its net assets to Galloway's Society for the Blind, who continue to operate services for blind people in Southport and the surrounding area. Expenditure including depreciation charged against the fund during the year totalled £0 and represents the operating costs of the centre at 22 Wright Street. Plans for refurbishment are in place but no commitment has been made as at 31 March 2021.

Morecambe development fund

Grants were received towards the development of the new property at Morecambe. The property opened in October 2016 and a transfer was made to unrestricted funds as the purpose of the grants awarded had been fulfilled.

Eric Wright

The grant was received for the continuation of the specialist 'Empower, Enable and Educate' project for visually impaired people living in Lancashire and Sefton. This project will enable the charity to develop the new digital offer that has been highly successful this year and continue the educational aspect of the project with the Living with Sight Loss Courses. The grant funds the posts of a full time Assistive Technology Coordinator & a part time sight loss advisor. It also covers the variable costs of delivering the project.

Investment fund

The purpose of the Investment Fund is to generate essential annual income to allow for the charitable objectives to be met; to be called upon for future capital expenditure; and as a reserve to ensure that fixed costs of the organisation can be covered when other sources of income may be less reliable.

Designated funds

Property refurbishment fund

The property refurbishment fund and was used for the refurbishment of the social centre at Howick House.

Southport Macular Fund

Funds were received from Southport at North West Macular Support Group (Charity No 1142183) in May 2016 when it was removed from the charity register are held to fund the ongoing activities of the Southport Macular Group.

Morecambe Bay Walk fund

Generous donation made by an anonymous donor to cover the loss of income for Morecambe Walk due to cancellation of the event.

GALLOWAY'S SOCIETY FOR THE BLIND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

17 e) Fund reconciliation (continued)

Designated funds (continued)

Cottrill Capital Trust fund

The funds from the above associated Charity was transferred to GSB as a part of the closure process agreed by the trustees of Cottrill Capital Trust.

18 Related parties transactions and trustees expenses and remuneration

Trustees' remuneration and benefits

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). There were no transactions with any trustees during the year and no expenses were paid to or on behalf of the trustees (2020: £nil).

Related party transactions

Sightline Vision (North West) Limited

Sightline Vision (North West) Limited is a related charity. During the year £4,200 (2020: £1,934) was charged to Sightline Vision North West Ltd for office rental. The amount owed by the charity at 31 March 2021 to Galloway's Society for the Blind was £nil (2020: nil).

19 Commitments under operating leases (office equipment) – group and charity

The charity is committed to future leasing payments under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than one year	4,159	4,008
Later than one year and not later than five years	2,386	5,824
Later than five years	-	-
	<hr/>	<hr/>
Total commitment up to the end of the lease	6,545	9,832
	<hr/>	<hr/>

20 Contingent assets

During the year the charity was bequeathed a share in the number of death estates. It is the policy of the charity to recognise the income once the amounts can be accurately quantified. All assets quantified have been included in the accounts.

At the year end there were a number of donations in wills still pending and due to the uncertainty of the amounts, the income will be recognised in the year in which the donations are either received or the amounts can be determined with reasonable certainty. The approximate value of such donations in wills to which the charity can put a value to is £99,178.