

**FIFE SOCIETY FOR THE BLIND**

**REPORTS AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2007**

Registered charity SC001354

Registered company SC164278

**FIFE SOCIETY FOR THE BLIND  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2007**

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**FIFE SOCIETY FOR THE BLIND  
CHARITY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2007**

Charity number	SC001354
Company number	SC164278
Trustees and directors	See page 2
Secretary	IH Taylor
Principal and registered office	Fife Sensory Impairment Centre Wilson Avenue KIRKCALDY Fife KY2 5EF
Bankers	Royal Bank of Scotland plc 23/25 Rosslyn Street KIRKCALDY KY1 3HA
Solicitors	e-corporate 17 Dunvegan Avenue KIRKCALDY KY2 5SG
Investment advisors	Tilney & Co 10 Hill Street EDINBURGH EH2 3JZ
Auditors	Paterson Boyd & Co Chartered Accountants & Registered Auditors 8 Mitchell Street LEVEN KY8 4HJ

**FIFE SOCIETY FOR THE BLIND  
CHARITY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2007**

**Constitution**

The Fife Society for the Blind is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

**Directors and trustees**

The directors of the charitable company (“the charity”) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The Articles of Association provide that the maximum number of trustees (other than alternates) shall be 25, of whom one shall be the Chief Executive Officer. A maximum of 7 trustees shall be Local Committee Trustees, a maximum of 7 trustees shall be Fife Forum Trustees, a maximum of 7 trustees shall be Elected Trustees and a maximum of 3 trustees shall be Co-opted Trustees.

The trustees serving from 1st April 2006 to the date of this report were as follows:

**Chief Executive**

AJ Suttie

**Trustees appointed by the Society in General Meeting**

Ms CI Bell

CM Clark (Convenor, Finance & General Purposes Committee)

DA Grisenthwaite \*

TW Hailey\* (Vice Chair)

JWG MacGregor MBE (Chair)

Dr A Sinclair

IH Taylor

**Trustees appointed by affiliated Local Committees**

Ms HH Blyth

Ms DH Durie

WG Hill (resigned 7 August 2006)

DB Mills (resigned 1 November 2006))

RA Peters (appointed 7 August 2006)

J Stevenson (appointed 16 November 2006)

TG Walsh

Ms J Wilson

JW Kennedy (resigned 16 September 2006)

**Trustees appointed by the Fife Forum for the Visually Impaired**

Ms AM Fraser

Ms MAL Gilfillan

Ms JL Ramsay (resigned 2 March 2007)

Ms SJ Taylor \*

B Thomson \*

**Trustees co-opted to the Board**

Ms EH Geddes

RS Oliphant (appointed 7 August 2006)

Cllr AM Watters

\* Members of the Finance & General Purposes Committee of the charity

**FIFE SOCIETY FOR THE BLIND  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2007**

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2007.

The charity information set out on pages 1 - 2 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities, as revised in 2005 (SORP 2005).

**Objects of the charity**

The objects of the Fife Society for the Blind ('FSB') are:

- To provide such services and resources to assist its clients in developing independence in the areas of travel, communication and living skills.
- To provide information about services available to visually impaired people in such a way as to enable such individuals to make informed choices.
- To increase public knowledge and awareness of visual impairment and associated issues through the provision of training, education and advice.

It aims to achieve these objects by:

- Demonstrating a standard of practice based on the best knowledge currently available and by striving to provide a high quality of service
- Ensuring that the services it provides reflect the diverse needs of persons with a visual impairment
- Encouraging and maintaining effective communication throughout the organisation and especially with those for whom services are provided.

**Organisation**

The charity is administered by a board of trustees of up to 25 members, who meet quarterly. There are subcommittees of the board covering fund-raising, and finance & general purposes. A Chief Executive (see page 2) is appointed by the trustees to manage the day-to-day operations of the charity. New trustees are provided with appropriate induction and other training.

**Investment powers**

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

**Review of activities and future developments**

Throughout the year under review, FSB continued to provide support and help to individuals within Fife who suffer from partial or total sight loss. Much of that support is provided under the auspices of Fife Council Social Work Service and NHS Fife through the Insight Team. During the year, the Insight Team responded to 296 new referrals, down slightly from 344 in 2006. 956 individuals already known to us made contact requesting additional support. This number represents a 45% increase. The new vision rehabilitation service provided to stroke patients continues to be successful with 106 referrals during the year. Overall the Society was in contact with 1991 individuals, a slight drop from 2037 in 2006. This drop is as a result of greater diligence in maintaining the database with 130 recorded deaths and 106 individuals who transferred out of Fife during the year. Our volunteers remain a very important part of our service and contribute over 230 hours a week and are worth £1,900 a week to us.

During the year the Board received a full review of underlying trends influencing the Society and this forms the basis on which new strategic priorities have been made. Plans are being drawn up to address: locality planning in 3 priority areas, issues contributing to social isolation, access to computing and new technology and new areas of rehabilitation.

**Financial review**

The financial statements for the year ended 31 March 2007 meet the requirements of SORP 2005, which is mandatory guidance for all charities of the size of FSB. In addition, these financial statements include the results of FSB Enterprises Ltd, the trading company of FSB. In consequence, the SOFA includes income and expenses of both FSB and FSBE, but after eliminating amounts invoiced between the companies.

**STATEMENT OF FINANCIAL ACTIVITIES**

The Statement of Financial Activities ('SOFA') comprises the income statement for the combined activities of FSB and FSBE, but note that a SOFA for FSB only is included at note 1 to the financial statements.

**Income**

Overall income flowing into FSB and FSBE together has increased from £631,450 to £642,247, with the major changes being the inclusion of funds transferred by the Cupar Ladies Committee to the Society of £59,818 on dissolution of that charity and a reduction in income from legacies of £34,591.

Voluntary income

This comprises income which is gifted to FSB and includes donations, legacy income, street collections and other income, whether earmarked for a particular purpose or otherwise. Donations have increased over the 2006 level, but legacies have fallen from £36,553 to £1,962 in the year under review.

Activities for generating funds

This comprises income where FSB has taken active steps to raise funds, such as jumble sales, and also includes income from trading activities (mainly from FSBE). The main change is the increase from £126,138 to £138,511 of income generated by FSBE.

Investment income

Investment income has remained broadly in line with amounts received in prior years.

Incoming resources from charitable activities

This category of income includes those amounts provided to FSB by, for example, Fife Social Services and NHS Fife, to provide support and assistance to clients. Income from the 'core' contracts (mainly Fife Social Services) has remained largely static, but for a small inflationary increase, but there have been significant changes in small projects, leading to an reduction in this class of income for the year of £29,576, from £379,042 to £349,466. The majority of these small projects run for less than a year and were completed within the year, and there has been a corresponding increase in costs.

Income from these sources has been regarded as Restricted, as defined within SORP 2005, in the sense that the funds have been provided to support a particular service or project and these funds are not therefore capable of being spent in other ways.

**Resources expended**

Costs, which are here described as Resources expended, have fallen from £700,907 to £674,426, mainly through reductions in FSBE staff.

In early 2007, the costs of servicing the contract with the Social Work Department of Fife Council were reviewed in the context of the funding provided by them. It has been some years since a similar review was conducted, noting that increases in funding were generally at the rate of inflation or less, whereas increases in staff costs to FSB were somewhat greater. FSB is of course entitled to provide a service to clients which costs in excess of that funded by Fife Social Services. The deficit on this source of funding was in excess of £70,000 for the year under review, but enhanced funding has been agreed for the 2007/8 financial year.

Governance costs includes the costs of annual audit and legal fees.

**Operating result**

In the year to 31 March 2007, the combined results of FSB and FSBE showed a deficit of £32,179 (2006 - £69,457) comprising a deficit in FSB of £36,278 (2006 - £62,771), and a surplus in FSBE of £4,099 (2006 – deficit of £6,686).

These results to some extent reflect the highly variable nature of legacy income to FSB, and are flattered through the inclusion of income from the Cupar Ladies Committee of £59,818.

The deficit on funding of the major contracts with Fife Social Services and other statutory bodies has been met from the general reserves of FSB, and is shown as a transfer between Unrestricted Funds and Restricted Funds.

**Revaluation of investments**

The recovery in the Stock Markets has continued through 2007 with gains in the valuation of the portfolio of £17,617 (2006 - £86,420) being recorded.

Funds have been withdrawn from the investment portfolio to support the outflow of cash associated with the operating deficits noted above.

**BALANCE SHEETS**

Balance sheets are presented for both the combined or consolidated figures of FSB and FSBE, and for FSB only. This allows the figures to be assessed on the relative financial positions of the group (FSB and FSBE together) and of the holding charity (FSB) only.

**Tangible fixed assets**

These are the land buildings and equipment used to provide services to clients, and in the main comprise the property at Wilson Avenue and its fittings and equipment. There have been no significant changes in the year, other than provisions for depreciation.

**Investments**

These comprise the property at Townsend Place, now rented to Fife Council, and the investment portfolio, which is managed by Tilney & Co. The growth in valuation reflects the improvements in the Stock Market.

**Current assets and liabilities**

These reflect the normal pattern of activity in that clients and grant providers are billed and pay later and similarly suppliers bill us and are paid later.

There has been a significant deterioration in the underlying cash balances over the year, mainly reflecting the operating deficit, but offset by funds transferred from the Cupar Ladies Committee.

**Reserves**

Reserves tied up in property and equipment are shown as the Fixed Assets Reserve and amounted to £478,015 at the year end. A further amount of £250,000 is held as Contingency Reserve against unforeseen circumstances, including fluctuations in the value of investments. Funds have also been allocated towards a replacement minibus and in respect of the long term costs of maintaining the Sensory Impairment Centre at Wilson Avenue. Funds are also needed to finance the deficit on servicing the Fife Social Services contract. The amount on general reserves has fallen from £255,908 to £192,112 in the year.

A detailed statement on reserves is included in note 15 to the financial statements.

**Reserves policy and risk management**

In 2004 the trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The trustees monitor progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the trustees have implemented a risk management strategy which comprises:

- An annual review of the risks which the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The strategic plan focussed the trustees on the need to develop additional sources of funding and it that regard FSB Enterprises Ltd ('FSBE'), a trading subsidiary, was established. In addition, further plans are being developed to enhance donation and legacy income. A successful outcome is dependent on the charity meeting the challenges such a major project presents and managing our finances prudently.

The trustees have forecast the level of free reserves (that is those funds not tied up in fixed assets, and designated and restricted funds) the charity will require to sustain its operations over the period when it is anticipated that some of the income generating activities may be curtailed temporarily whilst the anticipated project will be carried out. The trustees consider that the most appropriate level of free reserves at 31 March 2007 would be £275,000. The actual free reserves at 31 March 2007 were £194,000 which is £81,000 short of our target figure. Whilst the current level of reserves may prove sufficient, it is the trustees' view that it is prudent to ensure that there are sufficient free reserves to provide financial flexibility over the course of the forthcoming challenges.

**Trustees' responsibilities in relation to the financial statements**

Company and charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Society and of the surplus or deficit for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- 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 Society will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with Companies Act 1985. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees at the time the report is approved are aware:

- (a) there is no relevant audit information of which the company's auditors are unaware, and
- (b) the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the trustees

JWG MacGregor MBE  
Chairman

11 September 2007

**FIFE SOCIETY FOR THE BLIND**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including an Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2007 £	Total funds 2006 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	90,375	-	90,375	76,146
Activities for generating funds	3	167,110	-	167,110	146,567
Investment income	4	35,296	-	35,296	29,695
<b>Incoming resources from charitable activities</b>	5	54,120	295,346	349,466	379,042
Total incoming resources		346,901	295,346	642,247	631,450
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Costs of generating voluntary income		981	-	981	1,865
Fundraising trading: cost of goods sold and other costs		24,175	-	24,175	23,912
Investment management costs		-	-	-	3,815
Charitable activities	7	259,147	376,332	635,479	659,332
Governance costs		13,791	-	13,791	11,983
Total resources expended		298,094	376,332	674,426	700,907
Net incoming/(outgoing) resources before transfers		48,807	(80,986)	(32,179)	(69,457)
Gross transfers between funds		(80,986)	80,986	-	-
Net outgoing resources before other recognised gains and losses		(32,179)	-	(32,179)	(69,457)
<b>Other recognised gains/losses</b>				-	
Adjustment to valuation of fixed assets for charity's own use		-		-	6,137
Gains on investment assets		17,617		17,617	86,420
Net movement in funds		(14,562)	-	(14,562)	23,100
<b>Reconciliation of funds</b>					
Total funds at 1 April 2006		1,063,907	-	1,063,907	1,040,807
Total funds at 31 March 2007		1,049,345	-	1,049,345	1,063,907

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**FIFE SOCIETY FOR THE BLIND  
BALANCE SHEETS  
AS AT 31 MARCH 2007**

	Notes	Group		Charity	
		2007 £	2006 £	2007 £	2006 £
<b>Fixed assets</b>					
Tangible fixed assets	10	478,015	497,599	449,274	469,547
Investments	11	548,245	547,628	548,247	547,630
		<u>1,026,260</u>	<u>1,045,227</u>	<u>997,521</u>	<u>1,017,177</u>
<b>Current assets</b>					
Stock	12	3,278	1,632	2,328	1,632
Debtors	13	46,674	64,290	37,080	38,045
Cash at bank and in hand		82,188	53,793	64,646	19,862
		<u>132,140</u>	<u>119,715</u>	<u>104,054</u>	<u>59,539</u>
<b>Creditors: amounts falling due within one year</b>	14	(109,055)	(101,035)	(72,901)	(29,381)
<b>Net current assets</b>		23,085	18,680	31,153	30,158
<b>Net assets</b>		<u>1,049,345</u>	<u>1,063,907</u>	<u>1,028,674</u>	<u>1,047,335</u>
<b>Reserves</b>					
	15				
Fixed assets reserve		478,015	497,599	449,274	469,547
Contingency reserve		250,000	250,000	250,000	250,000
General reserve		192,112	255,908	200,182	267,388
Investment revaluation reserve		51,400	51,400	51,400	51,400
Minibus fund		8,000	4,000	8,000	4,000
Maintenance reserve		10,000	5,000	10,000	5,000
Cupar Ladies Committee		59,818	-	59,818	-
		<u>1,049,345</u>	<u>1,063,907</u>	<u>1,028,674</u>	<u>1,047,335</u>

Approved by the Board on 11 September 2007 and signed on its behalf by:

CM Clark  
Convenor  
Finance & General Purposes Committee

**FIFE SOCIETY FOR THE BLIND  
ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 MARCH 2007**

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value, and certain fixed assets, which have been revalued. The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) published in March 2005 and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

**Group financial statements**

These financial statements consolidate the results of the charity and its wholly-owned subsidiary FSB Enterprises Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

**Incoming resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis. Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

**Volunteers and donated services and facilities**

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

**Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the provision of services and support costs relating to those activities
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost on the basis of staff costs.

**FIFE SOCIETY FOR THE BLIND  
ACCOUNTING POLICIES (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2007**

**Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

**Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Freehold buildings	2% pa straight line
Computers and ancillary equipment	25% pa straight line
Furniture and other equipment	12.5% pa straight line
Motor vehicles	16.7% pa straight line

**Stock**

Stock includes aids and other items for resale or free issue to clients and is included at the lower of cost or net realisable value.

**Pensions**

The Society participates in a defined contribution scheme operated by the Pensions Trust. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

**Legal status of the Charity**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

**FIFE SOCIETY FOR THE BLIND  
ACCOUNTING POLICIES (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH**

**Reserves**

The reserves of the charity have been classified as follows:

**(a) Unrestricted reserves**

General reserve

These are funds which can be used in accordance with the charitable objects at the discretion of the trustees. They are the free funds of the charity and group that are available to be spent on the direct support of charitable activities.

Investment revaluation reserve

This reserve arises through periodic revaluations of investments

**(b) Designated reserves**

These are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Fixed assets reserve

Amounts tied up in land, buildings and equipment are matched by an amount held on capital reserve as such amounts are not available to support directly any charitable activities.

Contingency reserve

This represents the current estimate of the trustees of the amounts that should be held in reserve to meet contingencies such a fall in income or an unexpected increase in costs.

Minibus fund

Funds are set aside annually to meet the costs of purchasing a replacement minibus.

Maintenance reserve

As the property at Wilson Avenue ages, amounts are set aside for major maintenance.

Cupar Ladies Committee

In February 2007, the Cupar Ladies Committee resolved to wind up its activities as a separate charity and to transfer its assets and operations to the Society. The Society has agreed that the assets transferred shall be available to support activities in the Cupar area.

**(c) Restricted funds**

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**1 Financial activities of the charity**

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, FSB Enterprises Ltd.

A summary of the financial activities by the charity is set out below:

	2007	2006
	£'	£'
Gross incoming resources	512,736	614,224
Total expenditure on charitable activities	534,242	663,147
Fundraising costs of grants and donations	981	1,865
Governance costs	13,791	11,983
Investment gains	(17,617)	(92,557)
	<u>531,397</u>	<u>584,438</u>
Net incoming/(outgoing) resources	(18,661)	29,786
Total funds brought forward	1,047,335	1,017,549
Total funds carried forward	<u>1,028,674</u>	<u>1,047,335</u>
<b>Represented by:</b>		
Restricted income funds	-	-
Unrestricted income funds	1,028,674	1,047,335
	<u>1,028,674</u>	<u>1,047,335</u>

**2 Incoming resources from voluntary activities**

	2007	2006
	£'	£'
Donations	18,495	12,098
Legacies	1,962	36,553
Trust fund income	10,100	12,184
Income from Cupar Ladies Committee	59,818	-
Other income from branches	-	15,311
	<u>90,375</u>	<u>76,146</u>

During the year, the Cupar Ladies Committee, a separate charity, resolved to wind up its activities and merge with the Fife Society for the Blind. An amount of £59,818, the remaining assets of that charity and represented by bank balances and investments, was transferred to the ownership of Fife Society for the Blind, but remains a Designated Fund, as shown in Note 15 and described in the Accounting Policies.

**3 Activities for generating funds**

	2007	2006
	£'	£'
Fundraising events	31,599	20,429
Commercial trading operations	135,511	126,138
	<u>167,110</u>	<u>146,567</u>

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

<b>4 Investment income</b>	2007	2006
	£'	£'
Bank interest	1,675	2,737
Investment income	33,621	26,958
	<u>35,296</u>	<u>29,695</u>

<b>5 Incoming resources from charitable activities</b>	2007			2006
	Unrestricted	Restricted	Total	Total
	funds	funds		
	£'	£'	£'	£'
Fife Council Social Work Department	-	226,710	226,710	222,265
NHS Fife	-	22,512	22,512	27,024
Supported Employment Programme	-	3,256	3,256	4,683
Fife Council, Community Services Grant	-	5,559	5,559	5,490
Resource Centre	-	8,590	8,590	12,446
Talking Books	-	14,065	14,065	14,400
Stroke Service	-	3,320	3,320	29,260
Children in Need	-	8,534	8,534	-
Breaking Barriers	-	2,800	2,800	7,516
Income from serviced offices and rent	45,295	-	45,295	49,074
Other income	8,825	-	8,825	6,884
	<u>54,120</u>	<u>295,346</u>	<u>349,466</u>	<u>379,042</u>

Income in 2006 in respect of Services Offices and Rent included arrears of rent.

**6 Commercial trading operation and investment in subsidiary**

The wholly owned trading subsidiary, FSB Enterprises Ltd, which is incorporated in Scotland, pays amounts of profits to the charity by Gift Aid. FSB Enterprises Ltd delivers transcription and other services. The charity owns the entire issued share capital of 2 ordinary shares of £1 each. A summary of the trading results is shown below.

<b>Summary profit and loss account</b>	2007	2006
	£'	£'
Turnover	138,511	126,138
Cost of sales	(134,412)	(132,824)
<b>Gross profit</b>	<u>4,099</u>	<u>(6,686)</u>
Profit/(loss) on ordinary activities	4,099	(6,686)
Gift Aid to the charity	-	-
Retained in subsidiary	<u>4,099</u>	<u>(6,686)</u>

The assets and liabilities of the subsidiary

Tangible fixed assets	28,741	28,052
Current assets	47,762	67,232
Current liabilities	(55,830)	(78,710)
Net assets	<u>20,673</u>	<u>16,574</u>
Called up share capital	2	2
Profit and loss account	20,671	16,572
Shareholders' funds	<u>20,673</u>	<u>16,574</u>

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**7 Costs of charitable activities**

	2007		2006	
	Unrestricted funds	Restricted funds	Total	Total
	£'	£'	£'	£'
Staff costs, including employer's NIC and pensions	186,543	260,100	446,643	443,875
Staff related overheads	845	4,500	5,345	24,756
Resource centre and library	10,991	15,600	26,591	23,877
Volunteers expenses	7,790	-	7,790	7,383
Travel costs	-	30,529	30,529	29,445
Stroke expenses	-	3,503	3,503	29,424
Depreciation	17,530	10,200	27,730	24,204
Property costs	18,661	28,500	47,161	42,738
Other overheads	16,787	23,400	40,187	33,630
	<u>259,147</u>	<u>376,332</u>	<u>635,479</u>	<u>659,332</u>

**8 Staff and related costs**

	2007	2006
	£'	£'
Salaries	385,511	391,969
Social security costs	38,047	35,581
Pension costs	23,085	16,325
	<u>446,643</u>	<u>443,875</u>

The average number of full-time equivalent employees by function was as follows:

Direct service provision (including fundraising and development)	16	20
Support	1	1
Administration	1	1
	<u>18</u>	<u>22</u>

Alan J Suttie is the Chief Executive and a trustee of the Society. In the year to 31 March 2007 his gross salary and benefits were £35,608 (2006 - £34,965). No other trustees received remuneration or reimbursement of expenses in the year.

No employee earned in excess of £60,000 in the year.

The Society participates in a defined contribution scheme operated by The Pensions Trust. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme. The costs for the year were £15,962 (2006: £16,325), and there were outstanding contributions of £2,625 at the year end (2006: £-)

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**9 Net outgoing resources** 2007 2006  
£' £'

Included net outgoing resources are the following:

Auditors' remuneration

Audit fee	3,500	2,937
Fees in respect of other work	3,526	3,187
Legal fees	2,322	859

**10 Tangible fixed assets**

<b>Group</b>	Freehold land & buildings £'	Motor vehicles £'	Fixtures, fittings & equipment £'	Total £'
<b>Cost or valuation</b>				
At 1 April 2006	450,000	29,391	141,402	620,793
Additions	-	-	17,928	17,928
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2007	450,000	29,391	159,330	638,721
<b>Depreciation</b>				
At 1 April 2006	20,000	9,791	93,403	123,194
Charge for year	9,000	4,899	23,613	37,512
On disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2007	29,000	14,690	117,016	160,706
<b>Net book value</b>				
At 31 March 2007	421,000	14,701	42,314	478,015
At 31 March 2006	430,000	19,600	47,999	497,599

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**10 Tangible fixed assets (continued)**

<b>Charity</b>	Freehold land & buildings £'	Motor vehicles £'	Fixtures, fittings & equipment £'	Total £'
<b>Cost or valuation</b>				
At 1 April 2006	450,000	29,391	103,194	582,585
Additions	-	-	7,457	7,457
Disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2007	<u>450,000</u>	<u>29,391</u>	<u>110,651</u>	<u>590,042</u>
<b>Depreciation</b>				
At 1 April 2006	20,000	9,791	83,247	113,038
Charge for year	9,000	4,899	13,831	27,730
On disposals	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2007	<u>29,000</u>	<u>14,690</u>	<u>97,078</u>	<u>140,768</u>
<b>Net book value</b>				
At 31 March 2007	<u>421,000</u>	<u>14,701</u>	<u>13,573</u>	<u>449,274</u>
At 31 March 2006	<u>430,000</u>	<u>19,600</u>	<u>19,947</u>	<u>469,547</u>

Fife Council provided financial support to the charity for the purchase of land and construction of the buildings at Wilson Avenue, Kirkcaldy. The Society has granted standard security for the sum of £75,000 over the land and buildings at that location to Fife Council for a period of ten years from June 1999. Further, the Society has agreed to operate the premises as a Sensory Impairment Centre during that period.

The Sensory Impairment Centre at Wilson Avenue was valued by Graham & Sibbald, Chartered Surveyors, at open market value of £450,000 in June 2004.

The Society has entered into lease agreements for four units in the Sensory Impairment Centre, all of which run to 2010.

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**11 Investments**

<b>Group</b>	Quoted	Property	Unquoted	Total
	investments		investments	
	£'	£'	£'	£'
At 1 April 2006	412,628	125,000	10,000	547,628
Additions	82,416	-	3,000	85,416
Disposals	(108,124)	-	-	(108,124)
Revaluation	23,325	-	-	23,325
At 31 March 2007	<u>410,245</u>	<u>125,000</u>	<u>13,000</u>	<u>548,245</u>

Historical cost of investments held at 31 March 2007

312,029	73,600	13,000	398,629
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<b>Charity</b>	Quoted	Subsidiary	Property	Unquoted	Total
	investments			investments	
	£'	£'	£'	£'	£'
At 1 April 2006	412,628	2	125,000	10,000	547,630
Additions	82,416	-	-	3,000	85,416
Disposals	(108,124)	-	-	-	(108,124)
Revaluation	23,325	-	-	-	23,325
At 31 March 2007	<u>410,245</u>	<u>2</u>	<u>125,000</u>	<u>13,000</u>	<u>548,247</u>

Historical cost of investments held at 31 March 2007

312,029	2	73,600	13,000	398,631
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No individual quoted investment comprised more than 5% of the portfolio.

Unquoted investments comprise Bristol & West Building Society and National Savings Income bonds.

**12 Stock**

	Group		Charity	
	2007	2006	2007	2006
	£'	£'	£'	£'
Goods for resale and free issue	<u>3,278</u>	<u>1,632</u>	<u>2,328</u>	<u>1,632</u>

**13 Debtors**

	Group		Charity	
	2007	2006	2007	2006
	£'	£'	£'	£'
Trade debtors	13,508	11,160	6,301	5,562
FSB Enterprises Ltd	-	-	-	199
Other debtors	23,842	43,148	23,545	24,977
Prepayments	9,324	9,982	7,234	7,307
	<u>46,674</u>	<u>64,290</u>	<u>37,080</u>	<u>38,045</u>

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

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

	Group		Charity	
	2007	2006	2007	2006
	£'	£'	£'	£'
Trade creditors	21,084	20,609	15,928	17,778
Other taxes and social security costs	9,073	2,080	9,073	-
Other creditors	28,935	2,074	28,935	2,074
FSBE Enterprises Ltd	-	-	10,814	5,092
Accruals	10,151	14,544	8,151	4,437
Deferred income	39,812	61,728	-	-
	<u>109,055</u>	<u>101,035</u>	<u>72,901</u>	<u>29,381</u>

**15 Reserves**

<b>Group</b>	At 1 April 2006	Transfers in the year	Results for the year	Gains and losses	At 31 March 2007
	£'	£'	£'	£'	£'
Fixed assets reserve	497,599	(19,584)	-	-	478,015
Contingency reserve	250,000	-	-	-	250,000
General reserve	255,908	(49,234)	(14,562)	-	192,112
Investment revaluation	51,400	-	-	-	51,400
Minibus fund	4,000	4,000	-	-	8,000
Maintenance reserve	5,000	5,000	-	-	10,000
Cupar Ladies Committee	-	59,818	-	-	59,818
	<u>1,063,907</u>	<u>-</u>	<u>(14,562)</u>	<u>-</u>	<u>1,049,345</u>

<b>Charity</b>	At 1 April 2006	Transfers	Results for the year	Gains and losses	At 31 March 2007
	£'	£'	£'	£'	£'
Fixed assets reserve	469,547	(20,273)	-	-	449,274
Contingency reserve	250,000	-	-	-	250,000
General reserve	267,388	(48,545)	(18,661)	-	200,182
Investment revaluation	51,400	-	-	-	51,400
Minibus fund	4,000	4,000	-	-	8,000
Maintenance reserve	5,000	5,000	-	-	10,000
Cupar Ladies Committee	-	59,818	-	-	59,818
	<u>1,047,335</u>	<u>-</u>	<u>(18,661)</u>	<u>-</u>	<u>1,028,674</u>

The Accounting Policies include notes on each reserve and describe how these are maintained.

**FIFE SOCIETY FOR THE BLIND**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2007**

**16 Analysis of group net assets between funds**

	Tangible fixed assets	Investments	Cash at bank and in hand	Other net current assets	Total
	£'	£'	£'	£'	£'
Fixed assets reserve	478,015	-	-	-	478,015
Contingency reserve	-	250,000	-	-	250,000
General reserve	-	243,845	25,370	(77,103)	192,112
Investment revaluation	-	51,400	-	-	51,400
Minibus fund	-	-	-	8,000	8,000
Maintenance reserve	-	-	-	10,000	10,000
Cupar Ladies Committee	-	3,000	56,818	-	59,818
	<u>478,015</u>	<u>548,245</u>	<u>82,188</u>	<u>(59,103)</u>	<u>1,049,345</u>

**17 Related parties**

For the whole of the financial year the Society was under the control of its Trustees as detailed on page 2.

The Chief Executive, Alan Suttie, is a trustee of the charity and also a trustee of Royal National Institute for the Blind (RNIB), who lease from the Society a unit in the Sensory Impairment Centre and provide several services to and obtain services from the Society. During the year to 31 March 2007 £29,650 (2006 - £35,332) was invoiced to RNIB and a balance was due from RNIB of £1,235 (2006 - £1,195) at 31 March 2007. Purchases of £18,665 (2006 - £17,495) were made from RNIB and a balance was due to RNIB of £813 (2006 - £2,133) at 31 March 2007.

Iain Taylor, a trustee of the charity, is also a partner of e-corporate, solicitors and a former partner of Young & Partners, solicitors. During the year, e-corporate invoiced the charity £1,163 (2006 - £nil) and Young & Partners invoiced the charity £1,900 (2006: £859) in respect of professional services.

Cameron Clark, a trustee of the charity, is a partner of Cameron Clark, Chartered Accountants. During the year, his firm invoiced the charity £4,296 (2006 - £nil) in respect of professional services.

**FIFE SOCIETY FOR THE BLIND  
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
FIFE SOCIETY FOR THE BLIND  
FOR THE YEAR ENDED 31 MARCH 2007**

We have audited the group and parent company financial statements of Fife Society for the Blind for the year ended 31 March 2007 which comprise the group Statement of Financial Activities, the group and parent company Balance Sheets and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on pages 10 to 12.

This report is made solely to the Society's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the Society's directors are responsible for the preparation of the report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. In addition we report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Society is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the Group's surplus for the year then ended;
- the financial statements have been properly prepared in the accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Paterson Boyd & Co  
Chartered Accountants & Registered Auditors  
8 Mitchell Street  
LEVEN  
Fife  
KY8 4HJ

September 2007