

.henshaws

beyond expectations

**.our
journey**

Trustee Report and Accounts
2017-18

**Supporting people with sight loss and a range
of other disabilities to go beyond expectations.**



•our vision

To enable people with sight loss and a range of other disabilities to build the skills and independence they need to achieve the future they want.



•our values



Informed

Always aiming to increase knowledge through experience, expertise and history



Sharing

Desire to exchange experience and ideas with others



Compassionate

Displaying empathy and understanding



Inspiring

Through the life changing impact on the people we support



Proactive

Actively helping and supporting individuals



Empowering

Encouraging and supporting individuals to reach their full potential



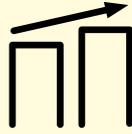


our year in numbers



25%

Increase in student numbers at our Specialist College



4%

Increase in clients using our Housing and Support Services



34%

Increase in children and young people attending our "I Can Do It courses"



3%

Increase in Art Makers at our Arts & Crafts Centre to full capacity



15%

Increase in fundraised income (excluding legacies) compared to last year





•message from the chair and the chief executive

2017-18 has been a year of new initiatives for Henshaws. Our community of service users, their friends, family, support workers and our staff have celebrated a huge range of achievements, of which we are enormously proud.

The ongoing development of Henshaws Knowledge Village (KV) saw it shortlisted for two awards and achieve a digital reach of 4.5 million, with 183,391 engagements. 13% of our digital engagements are from people outside the UK, representing roughly 145 countries. This year we established Sight Loss Innovation (SLI) as a limited company and appointed experienced Directors to facilitate this.

We continue to be the lead organisation in the Greater Manchester Vision Strategy with representatives from across the Visual Impairment (VI) sector in Greater Manchester (GM); including Health, Local Authorities (LA), local and national charities. We also streamlined our regional offering, moved Manchester offices and created the Greater Manchester Community “Hub” model, which now delivers services in 7 of the 10 Local Authority areas and also in Liverpool.

With a 25% increase in student numbers, we have reached our physical space capacity at Henshaws Specialist College. The KV can facilitate providing a service pre- and post-College for students, parents and professionals, and also for those students that are unable to attend due to individual physical limitations.

Housing & Support Services has a real opportunity - using its particular expertise and 100% Good CQC rating - to contribute significantly to the KV. This will differentiate Henshaws Housing provision as an exemplar of the brand and within the sector.

Fundraising will continue to develop its strategy. Digital donations are increasing and we successfully developed new initiatives such as the lottery in 2018. In 2019 we will launch a capital fundraising campaign to extend the Arts & Crafts Centre, to re-develop the centre so it can provide more workshops.

Henshaws staff are the centre of the charity and we will further develop our value based approach to staff engagement. Over the next couple of years getting all areas of the charity contributing to the KV will bring the staff together, working in a more integrated and positive culture.

In 2018 we have recruited a number of new Trustees. Trustees play a vital role in any charity and as a multi-site, multi-disciplinary charity we have a complex and interesting combination of governance and leadership challenges.

Our underlying operating result is improved from last year especially at College. Our financial position will continue to be tight but with more students, increased efficiency at College and within Housing, a GM wide provision, increased capacity at the Arts & Crafts Centre and the added value of the KV, the current difficult financial period should stabilise in 2019.

Henshaws continues to change the lives of people with disabilities, supporting them to achieve their goals in life and to go beyond expectations. In the words of Pat, who was supported by our community services team, “When I was first registered as partially sighted I didn’t feel as if life was worth living, but Henshaws has turned my life around.”

We are honoured to work with such special people and in such a special organisation and will do all we can to ensure Henshaws goes beyond expectations in all that it does.

Kevin Brady
Chair



Nick Marr
Chief Executive





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•knowledge village

Who we are

Henshaws Knowledge Village (KV) is a free online resource accessed from our website and underpinned by all the knowledge and experience Henshaws has gained in the field.

It is a place to share our expertise with those experiencing or working with sight loss and disability. Visitors from around the globe can explore our video library and learn about everything from accessible apps and technology to our useful Life Hacks, like learning to cut vegetables safely with a visual impairment (VI), as well as eBooks with detailed advice on living with disability.

What we did

Digital reach is the number of times our content is presented to someone through our social media channels and emails, along with visits to our website and views of our videos. Our increase in reach was achieved by producing better content and more of it.

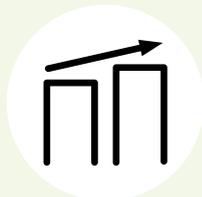
By keeping on top of trends and technology and tapping into the connection we have with the VI community on the ground we ensure the content is of high value to our audience and of practical use in overcoming the issues that disability can bring.

- We increased digital reach from 2.2 million in 2016 to 4.6 million in 2017-18 (109% increase) with 183,391 engagements, in 145 countries, with successful Life Hacks and eBook launches.
- The Knowledge Village library now holds 72 videos covering four different themes and four eBooks, along with lots of other useful information, a new blog posted on a weekly basis and a monthly newsletter to members.
- We have developed a membership portal to enable people to manage the content they most like and for us to get a better understanding of their requirements which gives us tighter control of data capture and segmentation of audiences.
- We had an increase in 28% of both engagement with our content and capture of people's details in 2017-18.
- Our organic reach - reach we don't have to pay for - grew by 28% in the year.
- We significantly increased our co-production of content, for example our Dating with sight loss eBook, had input from over 11 people with a VI and Manchester Tourism blogs.
- Our Email open figures remain very high at 30% average.
- KV was shortlisted in two key industry awards the Big Chip Awards and the Northwest Charity Awards.





What we achieved



4.6m

digital reach
(23% increase
on previous year)



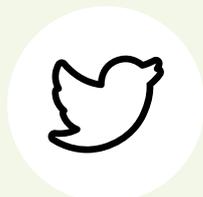
47,586

video views
(28% increase)



228,762

engagements made
(28% increase)



16,374

Twitter engagements
(72% increase)



2,647

individuals' details
captured (28% increase)



Plans for 2018-19

The biggest opportunity (and challenge) for Henshaws, is to keep ahead of the curve with our digital content and offering through the Knowledge Village. This requires investment, as the content is time-consuming to create and update, as well as having the right platforms and expertise to support the technology, such as Apps and film editing.

Our key objectives are to:

- Implement the Microsoft Dynamics CRM system in 2018-19 to better segment and manage our target audience communications. This will help us to understand new audience, opportunities and improve our offer and engagement with existing audiences.
- Make the Knowledge Village membership area “live”, still free to access but with greater relationship building with members.
- Introduce new product area for third party products with active referral links.
- Continue creation of co-produced content and direction, as well as connection to other organisations internationally to either co-partner or share content.
- Improve the journeys through our website especially the online donor journey
- Develop our first monetised digital offering in 2018-2019.
- Launch a VIAT eLearning product.



•community services

Who we are

Through our Community Services we enable people of all ages living with sight loss to make informed choices about their future. We offer expert guidance and skills, supporting people to fulfil their potential.

We delivered services from our Northwest centres in Manchester and Liverpool, as well as delivering community based services in 7 of the 10 Greater Manchester Local Authorities.

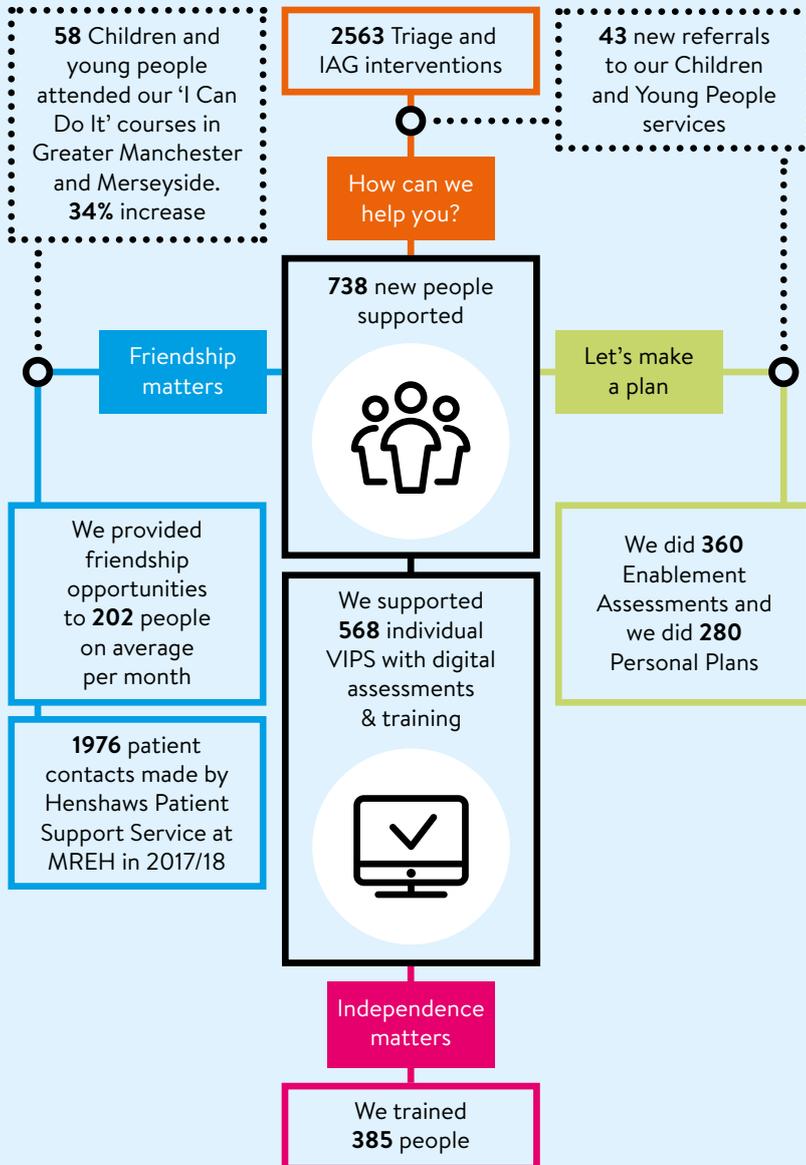
What we did

- Following GDPR requirements and a comprehensive data cleanse, we now reach 6,729 service users and supported 738 new people in 2017-18.
- Multiple award winning Children and Young People's Service – Visionary Award 2017 'Together we are Stronger' for working in collaboration; Finalist for RNIB Innovation Award; Presented our I Can Do It findings on the social and emotional needs of children and young people at Great Ormond Street and The Institute of Child Health conference.
- Successfully withdrew from Newcastle, with minimal impact to services.
- Moved our community services into regional hubs to strengthen our outreach strategy.
- Successfully delivered a cost-saving programme to reduce the operational expenditure in the North East and Merseyside and achieved budget.
- Co-authored the NHS England GM Community Sight Loss Framework.
- Commercial partnerships developed with Dolphin, Synaptic, and In My Pocket.
- Co-produced 7 steps, a guide that helps people with sight loss receive the support they need, which has been recognised nationally and approved by Vision UK and the NHS.
- Matrix accreditation awarded for the Greater Manchester Services and the introduction of a new unified communications system.





What we achieved



Plans for 2018-19

Our key objectives are to:

- Develop a core Greater Manchester (GM) offer and expand our reach to 10 Local Authority areas, in partnership with Walthew House (Stockport) and Bury Blind Society.
- Support proposal from Tameside Council for 3 years of funding.
- Follow through Cost Benefit analysis against the NHS sight loss strategy to determine whether it will be commissioned in 2019.
- Establish and develop our Knowledge Village (KV) offer to Children and Young People, families and carers.
- The development and embedding of our Triangle of Care strategy.
- Extend our product partnership agreements to include online transactions and promotions.
- Develop and embed our co-production strategy across Community Services and launch our 7 steps initiative across the UK.
- Develop and embed our Individual Impact statements.
- Develop our product offer through our accreditation model, generate new business, and support KV and SLI Ltd.
- Ensure people are aware of the range of services available and establish the impact we have on individual lives.
- Further embed the Omni Channel approach and maintain Matrix Accreditation for Community Services.



•specialist college

Who we are

Our Specialist College in Harrogate focuses on delivering highly personalised educational experiences for school leavers aged 16-24 years old. We also have a specialist facility in Bradford which works with young people on developing skills for employability.

Working with high needs students we aim to enable, empower and equip every student to progress into a fulfilling adult life to go beyond expectations.

What we did

- College students increased to 96, a 25% increase from 2016-17.
- 7 of those students participated in the employability programme in Bradford.
- Significantly improved Teaching and Learning Assessments.
- Revised the pre-entry and transition strategy.
- New members recruited to the Education and Governance Committee, which is accelerating the modernisation of Henshaws College Governance and providing more educational finance experience.





What we achieved



25%

increase in new students in 2017-18



41%

of College leavers progressed to voluntary work or vocational workshops



6

students achieved their Bronze Duke of Edinburgh Award



23%

progressed to FE Colleges



47

students engaged in off-campus work experience across 23 different employers completing over 4,500 hours of placement experience



100%

of students passed their planned ASDAN Personal Progress, Personal and Social Development and Employability qualifications



Plans for 2018-19

We will build on the achievements we have made this year and continue to develop our services to meet changing needs and the changing educational and funding landscape.

The College now has a new, fully revised Pre-entry Assessment and Transitions Strategy, and a new model for fees offering more palatable rates than the previous model.

Our key objectives are to:

- Continue the improvement of the College's financial position to one of stability, based on a sound recruitment strategy and effective monitoring and management of budgets.
- Lift the college out of a Requires Improvement rating from CQC and Ofsted.
- Develop the Knowledge Village (KV), digital courses can help support students and parents pre- and post-college education. It can also help students that we cannot physically support and offer UK Local Authorities (and beyond) a provision that currently does not exist.
- Continue improvements in the area of positive behaviour management with the appointment of a specialist practitioner which has resulted in a broader offer.
- Moving our impact more towards 'Reducing Social Isolation' and 'Increasing Independence', and less about conventional Ofsted outcomes that are not necessarily appropriate for many of our students.



•housing & support

Who we are

We provide housing and support services across the north of England, giving disabled people the opportunity to acquire new skills and the confidence to use them.

Our houses are situated in ordinary communities in Harrogate and Gateshead. The high quality housing offers a safe and comfortable environment in which to pursue independence. Our Supported Living, Residential Care and Reablement placements are supplemented by a Home Support Service, working with people living in their own home or with other housing providers.

What we did

- In 2017-18 our Supported Living and Home Support Service continued to expand and we saw significant improvements in our recruitment and retention of staff.
- We have 100% success with CQC 'Good' ratings for all our services. New CQC Inspection processes are now in place with new keylines of enquiry - we have achieved outstanding on some of these.
- The service at 2 The Drive successfully opened in this year and has been a highly successful joint venture across Fundraising, College, Property Services and Housing and Support.
- Plans have been approved for our new service at 9 The Drive, work has commenced within budgets. Fundraising Appeal targets were met. Assistive technology will play an integral part in the design and conversion.
- Residential & Domiciliary Care customer satisfaction survey has been completed – out of the 68% response rate, 67% felt the service had been extremely improved, whilst no one felt dissatisfied with the service.
- All of our Managers and Deputies currently hold, or are working towards, a Level 4 or 5 in Leadership and Management in Health and Social Care.





What we achieved



100%
of services have
'Good' CQC rating



4,987
hours of Domiciliary
care provided



3
bed purpose built
supported living home
newly opened



Plans for 2018-19

We will remain specialists in providing services and developing independence for people with a visual impairment, complex needs and learning difficulties, including autism.

Our key objectives are to:

- Open a new Supported Living service at 9 The Drive, offering the best in technologies to support independence.
- Secure social investment funding for new Supported Living developments for the future with a focus on excellence in use of independence technology.
- Aim for financial sustainability in our Residential Housing by continuing to review performance on a house by house and service user by service user basis.
- Capitalise on our good CQC ratings and achieve more outstanding ratings in some of the key lines of enquiry.



arts & crafts centre

Who we are

Our Arts & Crafts Centre in Knaresborough is a community hub, which through creative workshops, enables disabled people to discover their talents and empower them to realise their full potential.

As well as creative workshops we deliver real work experience through our social enterprise. The centre is also open to the public, with a fully licensed café, accessible facilities and green spaces. The beautiful, unique products our Art Makers create are sold in our shop and to local businesses and online via HenshawsGifts (on Etsy). We also hold regular events such as exhibitions, live music, theatre and craft fairs. We're proud of our vibrant and friendly atmosphere, which inspires both Art Makers and visitors.

What we did

- Continued good recruitment with 180 art makers attending each week.
- Opened additional workshops to satisfy demand, particularly activities for people with more complex needs with all our spaces used at maximum capacity.
- Flagship events such as Bedfest and Urban Beach are going from strength to strength with record numbers attending.
- Social media following is still strong and generally the Arts & Crafts Centre has the highest public profile of all services in Yorkshire, which makes it particularly useful for Fundraising for the Charity generally.
- Continued to improve our sensory garden.





What we achieved



3%

increase in the number of new Art Makers to capacity



33%

increase in workshop offering



Plans for 2018-19

The centre celebrated its 20th anniversary in 2018 and renovation to expand delivery is required to make the facilities fit for purpose to meet more complex needs of current Art Makers and future-proof the centre.

With all space at the centre now being fully utilised, a major fundraising campaign is to be launched in 2019 to raise funds to extend the number of workshops and enhance the catering and changing facilities.

Our key objectives are to:

- Complete the additional facilities by 2021 following the fundraising campaign success.
- Provide arts based activities for over 200 Art Makers every week with a more holistic approach to catering for need: including advocacy support and advice.
- Aim to be operating at breakeven by 2025, with the final write down of the investment.
- Develop more commercial aspects of the centre, by improving our online shop selling products made by Henshaws and other arts products.
- Increase our online presence by providing advice and guidance on improving quality of life through participation in arts activities.
- Update the outdoors gardens and woodland area to encourage more visitors to the centre.





•fundraising

Who we are

As a charity we rely on donations from generous individuals, organisations and communities, to be able to offer support to disabled people most at risk of isolation.

Last year saw 76 businesses support us through staff fundraising, sponsorship or corporate donations, 124 people support us with a regular donation, 3,333 individuals gave a gift, 50 community groups showed their support and 57 grant giving bodies supported a range of projects of all sizes. We were also notified that 13 generous supporters left us a gift in their will.

What we did

- We continued to grow and restructure the Fundraising team in 2017-18 to reflect the direction of the new strategy.
- Fundraising income for 2017-18 was £1,344k, 10.8% ahead of target.
- Revenue income for 2017-18 ended the year in its highest position in 6 years, continuing the positive trend started in 2015-16 (revenue excludes legacy and capital income).
- Individual giving income ended the year on £131,545, an increase of 38.6% compared to 2016-17, reflecting our continued investment in this area. A major factor in this increase is our lottery recruitment, which saw 533 new players recruited and our regular giving recruitment pilot which is showing promising results with 279 new donors recruited so far.
- Corporate income ended the year on £89,466, an increase of 53.1% on 2016-17 and continues to show positive signs for future growth.
- We continue to receive significant support from Trusts & Grants ending the year 16% ahead of target with an income of £494,666, an increase of 6.5% compared to 2016-17.
- Legacy income although not as high as in 2016-17 still performed strongly against target ending the year on £460,262. We also held our first legacy engagement event at the Arts & Crafts Centre which saw 16 people attend an afternoon tea to hear about the difference leaving a legacy can make.





Plans for 2018-19

Our key objectives are to:

- Continue to development and implementation relationship based fundraising strategies to grow support from corporate, major donors and individuals and embed Henshaws within local communities; maximising the increased propensity for community based engagement and highlighting Henshaws USP.
- Launch and manage a major appeal for the Arts & Crafts Centre, maximising income and awareness raising opportunities across all key stakeholder groups.
- Continue to develop, test and adapt new fundraising activity and opportunities, and apply learning to improve outcomes and increase long term sustainability.
- Focus on strengthening organisational capacity in the measurement and communication of our impact to ensure existing major funding is retained and new major funding is secured.
- Continue to develop and implement our donor engagement strategy with fundraising touch points introduced to all stakeholder journeys including service users, friends and family, digital users, volunteers and staff.
- Roll out the regular giving acquisition programme including both face to face and digital elements and continue lottery player recruitment.
- Continue to test the use of video content and digital marketing to grow online engagement including digital elements in all individual giving campaigns and fundraising asks within Knowledge Village (KV).
- Develop and grow commercial and CSR opportunities focused on Henshaws USPs including; KV, VIAT, print and braille services, training and sponsorship to maximise opportunities and long term strategic relationships.
- Build on our major donor pipeline by creating individual engagement plans and targeted project asks for qualified donors, maximising opportunities from the Arts & Crafts Centre appeal and KV.

What we achieved



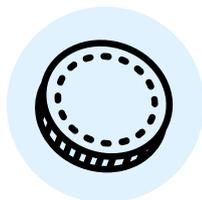
6 Years

Fundraising revenue was the highest in 6 years



677

new donors brought the number of active givers to 3,962



10.8%

Fundraising income was £1,344k 10.8% above of target



87.5%

of donors have supported Henshaws more than once



•our staff & volunteers

Who we are

Henshaws staff are highly skilled and experienced but most significantly hugely dedicated and passionate about achieving the very best for the people who benefit from our services. They continuously go beyond expectations to give others the opportunity to be their very best.

We are enormously grateful to all our volunteers. Their selfless passion, compassion and enthusiasm is an inspiration to us all. Without volunteers providing their time and skills, we would not be able to deliver many of our life changing services.

What we did

Being predominately a people-led service delivery charity means we need to keep continual improvement in staff practices and support of volunteers at the heart of our strategy to ensure high quality in our services.

In 2017-18 we achieved:

- Significant policy development work including a substantial rewrite of the Training & Development policy, development of a new policy for Agency workers and updates to a range of other HR policies.
- Sourcing of an interim College Principal and preparing for recruitment of a new permanent Principal.
- Recruitment to a number of new management level posts in College and Housing & Support to enable further development and growth and ensure compliance with regulatory requirements.
- Embedded a new job evaluation scheme for all roles based on the NHS job evaluation criteria. This means we have a fairer, less subjective approach to grading pay levels for roles.
- Conducted our biennial staff survey; 59% took part in the survey an increase of 20% participation from two years ago. The results show high levels of: motivation to do the job well; feeling valued and respected by colleagues; knowledge of mission and values and satisfaction with working for Henshaws.
- Development of a new volunteer induction and training programme.
- Ran a successful volunteers day.
- Recruited new trustees and created working group sub committees to focus on specific charity requirements.



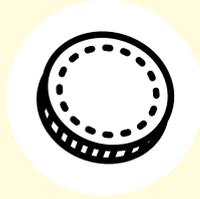


What we achieved



447

we now employ 447 people, a 33% increase in 3 years



5.4%

our pay gap analysis of 5.4% Median is significantly better than the national average



81%

81% of employees surveyed reported being satisfied with working at Henshaws



Plans for 2018-19

As the staff survey has shown, there is much to celebrate about Henshaws as a workplace with high levels of trust, motivation, feeling treated fairly and valued. The overwhelming reason given for job satisfaction is supporting our service users to increase their independence and a sense of making a difference to people's lives.

Our key objectives are to:

- Focus on continuing to sustain Henshaws current and future operational and management capabilities by embedding consistency, and including behaviours in line with our organisational values. This will include investing in more thorough induction programmes and ensuring the development and consistent application of relevant policies, procedures, communications and interventions.
- Creating and rolling out a Management Development programme that equips our managers with the knowledge, skills and behaviours to be competent and effective.
- Foundation of more investment in pay and conditions as the charity's financial position improves over the next few years.
- Roll out a new volunteer induction and training programme.
- Create more volunteer events.



•strategic review

The Trustee Board undertakes a three year rolling strategy review each year.

Eight key development objectives form the basis of the current Strategy and they are expressed through an annual update of the Business Plan. This details how the strategy will be implemented and is presented to the Trustee Board in each year along with the supporting budget.

The Strategic Objectives for Henshaws are:

1. Provision of an excellent service.
2. Development of the appropriate services for the present and future agendas.
3. Development of financially stable services.
4. Proactive development of services.
5. Development of a responsive provision for clientele needs.
6. Development of a flexible planned response to changes in the external commercial environment.
7. Development of the staffing structure to include improved recruitment, retention and training of all staff.
8. Maximisation and development of resources for present and future opportunities.

The year 2017-18 was one of consolidating our conventional delivery of services and agreeing that the forward strategic direction will be strongly digital in character to enable delivery to many new service users in new and innovative ways.

The setting of objectives and monitoring of performance is conducted via a structure of business committees and the use of dashboards, scorecards and other key performance indicators.



• legal & administrative information

The Charity's name is Henshaws Society for Blind People and its registered charity number is 221888. It was founded in 1837 and registered as a charity on 14 April 1980.

The Charity is governed by the following trust documents: (i) a Charity Commission Scheme dated 18 September 2000; (ii) resolutions of the members of the Charity dated 18 September 2012; and (iii) a Charity Commission Scheme dated 28 February 2013.

The sole trustee is Henshaws Society for Blind People Trustee Limited, company number 8313313. The company was incorporated on 29 November 2012 under the Companies Act 2006 as a private company limited by guarantee. It is governed by its Articles of Association, with its sole purpose being to act as corporate trustee of the Charity.

The Charity and Trustee's registered office together with details of the Trustee Board of Directors, Charity Senior Management Team and principal advisors are shown on page 52.

Charitable objects and public benefit

The Trustee has considered the question of public benefit and is satisfied that all of the Charity's charitable service delivery is for public benefit as defined by charity law (section 17 of the Charity Act 2011) and Charity Commission regulations.

The objects of the Charity are:

- (a) the relief of people who are blind or visually impaired (which shall be the principal object);
- (b) the relief of people with other disabilities; and
- (c) the relief of the families and carers of blind or visually impaired people and other people with disabilities principally, but not exclusively, by providing services, care, facilities, support, advice, education and training.

Governance and management

The Trustee acts for and in the name of the Charity. The Trustee retains ultimate control over all aspects of the Charity's work and ensures that its financial and legal responsibilities are properly fulfilled. The Trustee's Board of Directors consists of up to 20 Directors and comprises the Chairman, Treasurer and other elected Directors.

Trustee board members are recruited through an open process of selection and are appointed for a period of three years, after which they may stand for re-election for a second term.

The Charity has purchased indemnity insurance with regard to liability in respect of negligence, default and breach of duty or trust other than that caused by wilful or criminal actions.

All board members give their time voluntarily and receive no benefits from the Charity (any expenses reclaimed are set out in note 5 to the accounts).

New board members receive a Trustee handbook and undergo an induction process to brief them on their legal obligations and responsibilities, the work of the Charity and the sector in which it operates. The Trustee Board undertakes an Annual Skills Audit and members are asked to identify any training needs, which are addressed either by in-house training sessions or by encouraging them to attend appropriate external training events.

There are five sub-committees with clear terms of reference approved by the Board. These are the Business, Finance and Investment Committee, Audit Committee, Governance Committee, People and Reward Committee and the Education and Governance Committee. There are also other sub-groups which act in an advisory capacity to the Trustee Board.

Day to day responsibility for the management of the Charity rests with the Chief Executive, who is directly accountable to the Trustee Board. The Senior Management Team of the Charity is detailed in Note 5 and on page 52. Accountability and Authority levels are clearly defined in the Charity's Corporate Governance Documents, which are reviewed on an annual basis.



• financial review

(i) Operational performance

The majority of the Charity's income comes from local authority funded fees and the climate of sustained austerity, resulting in cutbacks to local authority funding, led to an erosion of income over a number of years.

Three years ago we embarked on a strategy of utilising excess charity reserves to invest in sustainable growth. Much of our cost base is fixed and only when service levels rise above a certain point does the organisation reach financially sustainable levels. It was clear that the financial position of the Charity would get worse before it began to improve and that we would need to utilise reserves to trade through the low point before services could begin to operate at full cost recovery again.

We took the bold step to put forward large budgeted deficits for the last few years; investing in an improved management structure, better pay for frontline staff and capital infrastructure in terms of further income generating buildings and some speculative business development.

For 2017-18 income for the Charity rose by 11%, and although it produced an operational deficit, the operational performance has shown a significant improvement from the previous year.

College income rose by 30% to 5.6 million due to increased student numbers for the third year in a row. Effective action has been and continues to be taken to ensure that the College has a sustainable future and student numbers in 2017-18 were at an all-time high of 96. The College would have achieved a full cost recovery position in 2017-18 were it not for some difficulties in staff expenditure due to the unprecedented growth. Delays in recruiting enough staff to support the significant increase in students meant reliance on higher rate agency workers to cover vacancies. In addition to the main college site this was the first year that the College operated its Bradford out-centre. In Bradford, student numbers were modest for this first year at 7 students, but it is hoped that these will increase in future years as the centre establishes a reputation.

Income for Housing & Support was £3.2 million; split between £2 million from Residential Services, £1 million from Supported Living services and £200k from property services. There was a financial review of residential services during the year leading to the closure of one home which was judged to be unsustainable and therefore income from Residential services fell by 3% as a result during the year. The Supported Living service continued to grow with the opening of an additional property during the year, increasing income for this area by 19%. Although overall Housing and Support income grew by 4%, continued high increases in the national living wage and pension costs resulted in expenditure rising by 4%. The Charity continues to pursue residential fee increases from Local Authorities to reflect the increased costs and to ensure sustainability of residential services, although the main strategic direction for Housing and Support is towards developing more Supported Living services as this is an area of increasing demand and will ensure the financial sustainability of the Housing and Support service.

Arts & Crafts Centre income was £664k, a 2% increase although costs rose by 10%. Demand for this service remains strong following more closures of day services for disabled people in the surrounding areas. It has developed its workshop offer, increasing the number of activities available to its service users (known as Art Makers) and provided excellent services to service users in both College and Housing & Support. However the capacity of the centre does not allow it to be wholly self sustaining from fee income and the centre reached full capacity in autumn 2018. A capital campaign has been launched in 2018-19, to provide increased workshop capacity and better facilities for its art makers. The centre celebrates its 20th anniversary this year and much has changed since its opening. Originally it opened with 50 Art Makers and it now provides creative pursuits for over 170 Art Makers as well as being a community resource open to the public. There is a greater complexity of needs of Art Makers and facilities need to be improved to reflect this shift and ensure it is fit for purpose for the future.

Community Services continued to develop a 'Hub & Spoke' model for conventional delivery as well as the development of the Knowledge Village and matching the visual impairment community with the best technology available to enhance independence and digital inclusion. Opportunities for operational income for this service are limited and the service relies on voluntary donations and other fundraised income to operate. The service reviewed its cost base in 2017-18 to ensure it was utilising its resources in the most efficient way to best support service users and as a result of this review the charity relocated to a more cost effective Head Office in Manchester. It also closed its resource centre in Newcastle upon Tyne and worked with another local charity in the area to ensure continuity of services. The strategy for Community Services is to consolidate its position as the primary Visual Impairment charity for Greater Manchester, seeking opportunities from the devolution of Greater Manchester to provide sustainable support for services in the area. There will also be an increased focus on development of the Knowledge Village over the next few years. Fundraising had another successful year with income £1,344k from all fundraising activities, including over 100k capital income being raised for refurbishment of a Supported Living property. The fundraising department continued its strategy of increasing individual giving through financially investing in an acquisition programme for its Lottery and regular giving programme, securing an annual recurring income £102k and over 2,992 Lottery lines per week.

(ii) Investment performance

The investment portfolio is devolved to two investment management companies to manage and maximise performance from our investments and the Business, Finance and Investment Committee monitored performance throughout the year.

At 31 August 2018 our investment portfolio stood at £4.5 million, of which £1,268k was Permanent Endowment and £291k was a restricted fund. Investment income for the year was £149k and there was a net gain of £48k in portfolio value.

Balance sheet

Total funds as at 31 August 2018 were £4,597k (2016-17 £5,537k). This reserves figure is after taking account of the negative Pension Reserve of £2,150k which represents the net present value of the deficit repayments for the SHPS defined benefits pension scheme.

Total overdraft and loans consisted of £3.3 million, of which £1.6 million was secured on fixed assets and £1.7 million was secured against investment funds.

Financial outlook

Stability and continuity of service are seen as essential to building a sustainable future for Henshaws across its range of services. The Trustee Board intends to continue the vital investment in service delivery which has seen such a positive impact.

We have prepared a detailed Business Plan for the next 3 years and while we predict an operational deficit for the next financial year, we expect the Charity to return to a surplus budget in years 2 and 3.



• financial review

Risk management

The Trustee has overall responsibility for establishing and maintaining the Charity's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Charity's assets and interests.

In meeting its responsibilities, the Trustee Board adopts a risk-based approach to internal controls and all major risks that the Charity is exposed to have been identified, reviewed and procedures have been established to manage those risks.

Processes in place regarding risk management and internal control include the following:

- A comprehensive risk management framework, which consists of a top-down risk review by the Trustee Board via the Audit Committee and a bottom up review by individual functions.
- The Audit Committee receives an annual report on the effectiveness of controls from the external Auditor.

The principal risks and uncertainties to which the Charity is exposed are:

- Safeguarding vulnerable service users. Robust systems are in place to ensure that vulnerable people using our services are in a safe environment.
- Health & safety. We undertake to give our staff and service users a safe working environment. This includes the provision of quality training as well as the development of a culture of risk awareness and management.
- Income generation. The Charity is faced with a challenging economic climate as much of its income is linked to local authority provision, which is itself under increasing financial pressures. Income levels are continually monitored and there is ever increasing focus on maintaining and enhancing sources of income.
- Cash flow risk. The Trustee Board has undertaken to invest in front line service development across the Charity. This means that cash flow management has become increasingly important and measures are taken, including enhanced budgetary and cost controls as well as the arrangement of overdraft and loan facilities, to ensure sufficient funds are available to meet demands.

Fundraising management

Our fundraising strategy and activities reflect our organisational values and is reviewed regularly to ensure it is meeting the needs of the organisation and using resources efficiently and ethically for sustainable income growth. Our relationship with our supporters is very important to us and we monitor feedback and take complaints seriously.

We occasionally work with professional fundraisers and commercial organisations. All contracts and partnerships are subject to due diligence and close management. External partners receive regular training and shadowing visits from the fundraising team. Henshaws is a member of the Fundraising Regulator and follows the Fundraising Code of Practice. We also take our responsibilities to protect vulnerable people seriously and follow the Institute of Fundraising guidance on treating donors fairly, and make sure all our agency partners are fully aware of our policies.

Treasury management and investment powers and policy

Under the Charity Scheme, the Trustee may make any kind of investment that it could make if it were absolutely entitled to the assets of the Charity, subject to the exercise of a duty of care and having regard to the approved standard investment criteria. Within the powers of delegation, the Trustee Board may also authorise one or more persons to exercise all or any of their delegable functions as their agent. Delegable functions include any function relating to the investment of assets belonging to the Charity. Treasury management is defined as the management of the Charity's cash flows, its borrowing and its investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.

There are four principles of treasury management that drive the policy;

- Compliance – with statute, regulation and best practice
- Security – of financial assets
- Liquidity – adequate to meet financial obligations
- Effectiveness and efficiency – in the use of financial resources.

The Charity has recognised that its cash and reserves should be allocated in a manner consistent with these principles.

In deciding where to invest surplus funds the Charity's objective is to get a reasonable return at an acceptable level of risk. The balance between capital growth and income will be determined in accordance with the needs of the Charity using a range of investments that are permitted for charity holdings. The Charity has split its portfolio of investments between investment managers who manage the funds on a discretionary basis in accordance with investment guidelines that are reviewed annually by the Business, Finance and Investment Committee.

Should liquid funds be available, the Charity operates an approved list of deposit takers for cash not immediately required.

Funds set aside in investments are viewed as long-term holdings and over time it is expected that a rate of return above inflation will be achieved on these assets.

Reserves policy

The Charity Commission use the term reserves to describe that part of a charity's income funds that is freely available for its general (unrestricted) purposes. "Reserves" are therefore the resources the charity has or can make available to spend, for any or all of the charity's purposes, once it has met its commitments. More specifically they define "reserves" as income which becomes available to the charity and is to be expended at the Trustee's discretion in furtherance of any of the charity's objects (sometimes referred to as "general purpose" income); but which is not yet spent, committed, designated or invested in fixed assets.

This definition of reserves might more commonly be referred to as free reserves.

When the Trustee Board reviewed the Charity's reserves policy and level of reserves, they concluded that it was not appropriate to set their free reserves level purely by reference to a period of time of ongoing operations, as some 80% of our income comes from contracted fees and grants from a wide spread of statutory funders, which to some extent mitigate our exposure.

The Trustee Board acknowledged, however, that there was a more significant degree of uncertainty about the remaining income, which comes mainly from fundraising and time limited funding, and that some sources of income are especially vulnerable to changes in government legislation, policies and priorities.



• financial review

Reserves policy – continued

In reviewing the reserves policy the Trustee Board aims to ensure that the Charity is able to continue to provide all services for a period of at least twelve months, in the event of a significant proportion of income not being realised. All sources of income were reviewed and individual risk factors assigned to take account of the following factors:

- The source of the income
- The predictability of the income based on historical information and experience
- The certainty of anticipated increases in fee levels
- The size of the area of operation (e.g. bed numbers in a residential scheme)
- Demand for the service and the nature of that demand (ongoing, periodic, annual etc.)
- Any known or anticipated changes in funding legislation

In addition, the Trustee Board has concluded that the Charity should also keep available as free reserves amounts relating to a deficit for the year ahead.

In applying the risk factors shown above to the Charity's anticipated income, the Trustee Board have concluded that a level of free reserves of £1.3 million (2016-17 £1.75m) would provide them with the safeguards they need to be able to guarantee continuity of services during periods of instability, uncertainty or change.

As at 31st August 2018 our free reserves, as defined by our bank covenants, stood at £314k, (2016-17 £1,243k). We acknowledge that the free reserves position is lower than we would wish and the intention is to rebuild the free reserves position over the next three years.

Remuneration policy

The People and Reward Committee oversee the remuneration and benefits structure for staff and ensure that the pay framework operates within the required remit. Pay scales are monitored regularly with market comparators. The Committee considers feedback from the annual staff survey and Joint Staff Consultative Committee, supports HR processes and considers any major proposed changes to HR policies. A comprehensive job evaluation exercise was undertaken during the year.

Staff liaison

A number of divisional Joint Staff Consultative Committees are used to discuss employment matters, working practices and strategic issues of employment with staff and to share business information. These divisional committees feed in to an overarching Charity-wide committee.

Going concern

The Trustee Board has taken the decision to invest in the future of front line delivery at Henshaws and while it anticipates a deficit for 2018-19 it has budgeted for surpluses to be generated in the following two years and in doing so, has satisfied itself that the Charity is able to continue as a going concern within the parameters of the Charity SORP FRS 102.

Summary

The Charity's achievements this year have only been possible through the generosity of our donors, funders, volunteers, supporters and the dedication and commitment of Henshaws' management and staff. Thank you very much to everyone who supported us this year.

Kevin Brady
Chair
9 April 2019



• statement of responsibilities of the trustee

The Trustee is responsible for preparing the Trustee's Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing those financial statements the Trustee's Board of Directors are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Observe the methods and principles in the Charities SORP (FRS 102);
- (c) Make judgements and estimates that are reasonable and prudent;
- (d) State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- (e) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the provisions of the Trust Deeds and with Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102). The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Signed on behalf of Trustee Board of Directors

Kevin Brady

9 April 2019



independent Auditor's Report to the trustee of Henshaws Society for Blind People

Opinion

We have audited the financial statements of Henshaws Society for Blind People “the charity” for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site 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.

Beever and Struthers

Beever and Struthers

Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

St George's House
215-219 Chester Road
Manchester
M15 4JE
9 April 2019



statement of financial activities for the year ended 31 August 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000	Total funds 2017 £'000
Income from:						
Charitable activities:						
Education & training services		6,304	-	-	6,304	4,953
Housing & support services		3,221	-	-	3,221	3,107
Community services		79	250	-	329	406
		9,604	250	-	9,854	8,466
Donations and legacies		879	184	-	1,063	1,399
Other trading activities		212	13	-	225	194
Investments		140	9	-	149	154
Other		5	-	-	5	1
Total income	2	10,840	456	-	11,296	10,214
Expenditure on:						
Charitable activities:						
Education & training services		6,741	212	-	6,953	5,866
Housing & support services		3,573	9	-	3,582	3,450
Community services		821	309	-	1,130	1,329
		11,135	530	-	11,665	10,645
Raising funds		509	4	-	513	453
Other		97	-	9	106	176
Total expenditure	3	11,741	534	9	12,284	11,274
Net gains on investments		12	19	17	48	269
Transfers between funds		1	(1)	-	-	-
Net (expenditure)/income - movement in funds		(888)	(60)	8	(940)	(791)
Reconciliation of funds						
Total funds brought forward		1,694	2,583	1,260	5,537	6,328
Total funds carried forward		806	2,523	1,268	4,597	5,537

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 32 to 51 form an integral part of the financial statements.

All income and expenditure relates to continuing operations.



• balance sheet at 31 August 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2018 £'000	Total funds 2017 £'000
Fixed assets						
Tangible fixed assets	6	3,600	2,098	-	5,698	6,130
Investments	7	2,964	291	1,268	4,523	4,490
Total fixed assets		6,564	2,389	1,268	10,221	10,620
Current assets						
Consumable stock		5	-	-	5	5
Debtors	8	921	-	-	921	977
Cash at bank and in hand		16	134	-	150	122
		942	134	-	1,076	1,104
Liabilities						
Creditors: Amounts due within one year	9	(3,592)	-	-	(3,592)	(2,629)
Net current (liabilities)/assets		(2,650)	134	-	(2,516)	(1,525)
Total assets less current liabilities		3,914	2,523	1,268	7,705	9,095
Creditors: amounts falling due after more than one year	10	(3,108)	-	-	(3,108)	(3,558)
Total net assets		806	2,523	1,268	4,597	5,537
Funded by:						
Unrestricted funds	13a	2,956	-	-	2,956	4,140
Pension reserve	13a	(2,150)	-	-	(2,150)	(2,446)
Total unrestricted funds		806	-	-	806	1,694
Restricted funds	13b	-	2,523	-	2,523	2,583
Permanent endowment funds	13c	-	-	1,268	1,268	1,260
Total funds	13	806	2,523	1,268	4,597	5,537

The financial statements on pages 29 to 51 were approved by the Board on 9 April 2019 and were signed on its behalf by:

Mr K Brady - Chair of the Board

Mrs S Bence - Vice Chair

The notes on pages 32 to 51 form an integral part of the financial statements.



statement of cash flows for the year ending 31 August 2018

	Note	Total funds 2018 £'000	Total funds 2017 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	A	(510)	(1,042)
Cash flows from investing activities			
Dividends, interest and rents from investments		149	145
Interest paid		(55)	(29)
Purchase of tangible fixed assets		(174)	(228)
Purchase of long term investments		(820)	(2,521)
Sale of long term investments		835	2,540
Net cash provided by (used in) investing activities		(65)	(93)
Cash flows from financing activities			
Repayment of borrowing		(142)	(158)
Net cash provided by (used in) financing activities		(142)	(158)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents brought forward		(1,074)	219
Cash and cash equivalents carried forward	B	(1,791)	(1,074)
Reconciliation of net movement in funds to net cash flows from operating activities			
Net movement in funds		(940)	(791)
(Gains)/losses on investments		(48)	(269)
Depreciation		612	621
Dividends interest and rents from investments		(149)	(145)
Interest paid		55	29
(Increase)/decrease in stocks		-	1
(Increase)/decrease in debtors		56	(189)
Increase/(decrease) in creditors		(96)	(299)
	A	(510)	(1,042)
Analysis of cash equivalents			
Cash at bank and in hand		150	122
Bank overdraft & facilities		(1,941)	(1,196)
	B	(1,791)	(1,074)

The notes on pages 32 to 51 form an integral part of the financial statements.



notes to the financial statements for the year ended 31 August 2018

1 Accounting policies

The principal policies of the Charity as a public benefit body as defined by charity law and Charity Commission regulations, are as follows:

a) Basis of accounting

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. 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) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also conform to the requirements of the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared on the going concern basis, which is considered to be appropriate in the context of the Charity's ability to meet its obligations as they fall due, in the period of twelve months following the date of approval of these financial statements. In this consideration, the Charity's asset position, the level and profile of its liabilities and the Charity's ability to determine the level of charitable services delivered, have been taken into account.

b) Fixed assets and depreciation

- i) Fixed assets, except long term investments and assets in the course of construction, are stated at cost less accumulated depreciation and assessed for any impairment of value.
- ii) Properties are recorded at original purchase cost. Subsequent additions are recorded at cost. Depreciation on properties and any premiums on leases are charged to the income and expenditure account over the expected economic useful lives of the assets. The rate currently applied is 4% per annum on a straight line basis. All properties are reviewed for impairment annually, and where properties have suffered a permanent diminution in value, the fall in value is recognised.
- iii) Assets in the course of construction are stated at cost and are transferred into land and buildings when completed. They are not depreciated until complete.
- iv) Depreciation on fixed assets is provided on a straight line basis using one of the following rates:-

Properties	4% per annum
Motor Vehicles	25% per annum
Computer Equipment	33.33% per annum
Furniture, Fixtures & Fittings	10% - 20% per annum

Assets are capitalised if their cost is £1,000 or over.

- v) Fixed assets gifted to the Charity are recorded at a reasonable estimate of their value, which is regarded as cost. They are depreciated and assessed over their useful economic life as above.
- vi) Long term investments in stocks, shares and related products are stated at their market value at the Balance Sheet date as a reasonable measure of fair value. Unrealised gains and losses arising on the revaluation of investments are, together with the realised gains and losses arising on the sale of investments, shown in the notes to the statement of financial activities as net gains/(losses) on investments. Listed investments may fluctuate in value and are subject to a risk profile set and reviewed by the Trustee Board.



notes to the financial statements for the year ended 31 August 2018

c) Taxation

The Charity benefits from various exemptions from taxation afforded by legislation and is, moreover, not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid. The Charity is also able to partially recover some VAT expenditure. Expenditure subject to VAT that is not recoverable is recorded in the accounts inclusive of the VAT.

d) Stock

Stock is stated at the lower of cost and net realisable value.

e) Debtors

Debtors include amounts owed to the Charity for the provision of goods or services or amounts the Charity has paid in advance for the goods or services it will receive. Debtors are stated in the balance sheet at the amount which is considered to be recoverable within 12 months from the balance sheet date.

f) Creditors

A liability is recognised for the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as an advance payment for goods or services it must provide. For creditors due for settlement in more than one year, the amount is discounted for the time value of money where material.

g) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Other than investments which are stated at fair value as noted above in 1b) vi, these are initially recognised at transaction value and may be subsequently measured at their settlement value.

h) Income

Income represents:

- i) income from appeals and fundraising, including donations and legacies
- ii) fees and other income from education and training services
- iii) fees and other income from housing and support services
- iii) grants and other income from community services

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and amounts can be measured reliably. Where terms and conditions have not been met or uncertainty exists as to whether they can be met then the income is not recognised but deferred as a liability until it is probable that the terms or conditions imposed can be met.

Investment income is recognised when the Charity's entitlement is irreversible.

Legacies are deemed receivable when sufficient information has been received to enable the Charity to reliably measure the amount receivable and when receipt is probable.

Donated volunteer time is highly valued by Henshaws as noted in the Trustee Report, but in accordance with accounting regulation is not recognised as income or related expenditure.

Gifts-in-kind of material goods or professional services are, however, recognised as income and expenditure (via depreciation if capital goods or services) and any associated conditions noted.



notes to the financial statements for the year ended 31 August 2018

i) Expenditure

Expenditure has been charged on the accruals basis and such charges include value added tax where appropriate.

j) Cost of charitable activities

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the Charity. These costs include staff costs, wholly or mainly attributable support costs, an apportionment of general overheads and governance costs.

k) Costs of raising funds

Fundraising costs include the salaries and overheads of the staff who directly undertake fundraising activities, plus other direct costs and allocated support and governance costs.

l) Governance and support costs

Governance and support costs include the direct costs of administering the Charity. Support costs represent the central services provided, including the cost of maintaining facilities shared by all or most of the Charity.

Support Service costs consists of the following: Management, Finance, Human Resources, Property Services, Research & Information, IT and Marketing. These costs are allocated out to service areas, on an agreed basis of apportionment relating to total income and expenditure, payroll costs, use of IT and floor space occupied, depending on relevance to the activity.

They are included in the charitable activities costs reported in the Statement of Financial Activities.

Any redundancy and termination costs are recognised when they are contractually due.

m) Pensions

The Charity contributes to various pension schemes. The assets of each scheme are held separately from those of the Charity in independently administered funds.

Defined benefit schemes:

There are two schemes which provide defined benefits, though one is closed to future accrual. The other is the Teachers' Pension Scheme, a statutory, contributory, defined benefit scheme for teachers. In accordance with FRS 102, the pension deficit of the Social Housing Pension Scheme Defined Benefit Scheme (operated by TPT) is accounted for by the net present value of future contributions being brought into the Balance Sheet. Further details are included in the Pensions Note 19.

Defined contribution schemes:

Contributions to these schemes are charged to the income and expenditure account as they are paid and allocated in line with individual staff costs of employment.



• notes to the financial statements for the year ended 31 August 2018

n) Leases

Finance Leases:

Tangible fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased asset at the inception of the lease. The excesses of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge in the remaining balance of the obligations.

Operating Leases:

Rentals payable under operating leases are included in total expenditure in annual instalments over the period of the leases.

o) Fund accounting

Fund accounting distinguishes between two primary classes of fund: those that are unrestricted in their use, which can be spent for any purposes of a charity, and those that are restricted in use, which can only be used for a specific charitable purpose.

Restricted funds are either (i) endowment funds or (ii) other restricted funds. Endowments are either permanent or expendable.

Endowments and other restricted funds are disclosed separately in the financial statements and are subject to specific restrictions imposed by the donor or by the nature of the appeal or grant.

The restricted funds comprise of assets that have been given to the Charity subject to certain conditions. They include cash donations and legacies given for a specific purpose, investments and buildings that have been funded from specific bequests.

The Trustee Board may exercise its discretion to set aside part of an unrestricted fund for designated purposes. Designated funds may also be used where donors have expressed a preference without imposing a trust. The funds so designated remain unrestricted since the Trustee can remove the designation at any time.

p) Accounting judgements and assumptions

Certain judgements and assumptions are made in the preparation of the financial statements. The matters considered above, particularly depreciation rates and asset values as well as the recognition of income and liabilities, are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported.



notes to the financial statements for the year ended 31 August 2018

2 Income

	Fees 2018 £'000	Grants 2018 £'000	Legacies 2018 £'000	Other 2018 £'000	Total year ended 31 Aug 2018 £'000	Total year ended 31 Aug 2017 £'000
Unrestricted funds						
Charitable activities:						
Education & training services	6,129	48	-	127	6,304	4,953
Housing & support services	3,221	-	-	-	3,221	3,107
Community services	-	16	-	63	79	119
	9,350	64	-	190	9,604	8,179
Donations & legacies	-	199	461	219	879	1,338
Other trading activities	-	-	-	212	212	184
Investments	-	-	-	140	140	145
Other	-	-	-	5	5	1
	9,350	263	461	766	10,840	9,847
Restricted						
Charitable activities:						
Community services	-	225	-	25	250	287
Donations and legacies	-	126	-	58	184	61
Other trading activities	-	-	-	13	13	10
Investments	-	-	-	9	9	9
	-	351	-	105	456	367
Total Income	9,350	614	461	871	11,296	10,214



notes to the financial statements for the year ended 31 August 2018

3 Expenditure

Analysis of expenditure

	Staff costs £'000	Other direct costs £'000	Depreciation costs £'000	Governance costs £'000	Other support costs £'000	Total year ended 31 Aug 2018 £'000	Total year ended 31 Aug 2017 £'000
Unrestricted funds							
Charitable activities:							
Education & training services	4,004	1,724	244	17	752	6,741	5,643
Housing & support services	2,256	865	134	9	309	3,573	3,446
Community services	447	244	10	2	118	821	1,018
	6,707	2,833	388	28	1,179	11,135	10,107
Donations and legacies	276	148	6	1	78	509	453
Other trading activities	25	40	-	-	10	75	143
Investments	-	22	-	-	-	22	24
Total unrestricted expenditure	7,008	3,043	394	29	1,267	11,741	10,727
Restricted funds							
Charitable activities:							
Education & training services	-	3	209	-	-	212	223
Housing & support services	-	-	9	-	-	9	4
Community services	218	70	-	-	21	309	311
	218	73	218	-	21	530	538
Donations and legacies	-	4	-	-	-	4	-
Total restricted expenditure	218	77	218	-	21	534	538
Endowment funds							
Investments	-	9	-	-	-	9	9
Total endowment expenditure	-	9	-	-	-	9	9
Total expenditure	7,226	3,129	612	29	1,288	12,284	11,274
Reallocation per note 3a	884	404	-	-	(1,288)	-	-
Expenditure after reallocation of support costs	8,110	3,533	612	29	-	12,284	11,274



notes to the financial statements for the year ended 31 August 2018

3a Analysis of support costs

Analysis of expenditure

	Education & training services £'000	Housing & support services £'000	Community services £'000	Fundraising £'000	Trading £'000	Total year ended 31 Aug 2018 £'000
Finance	107	57	8	15	2	189
Human resources	78	43	10	5	1	137
Information technology	153	7	33	10	3	206
Marketing	111	33	48	22	-	214
Management	184	100	28	14	4	330
Property services	48	11	12	12	-	83
Maintenance	100	29	-	-	-	129
Disability support	(29)	29	-	-	-	-
Total	752	309	139	78	10	1,288

3(b) Analysis of governance costs

	Total year ended 31 Aug 2018 £'000	Total year ended 31 Aug 2017 £'000
Legal & professional	6	4
Audit fees	18	20
Trustee costs	5	9
Total governance costs	29	33

Legal & professional fees in the year reflect the changes to the legal structure and governance work.



notes to the financial statements for the year ended 31 August 2018

4(a) Net (expenditure)/income

Income is stated after charging

	Total year ended 31 Aug 2018 £'000	Total year ended 31 Aug 2017 £'000
External Auditors' remuneration:		
Audit fees	14	13
Tax advisory services	2	2
	16	15
Depreciation	612	621
Operating leases	254	321

4 (b) Operating Leases

The Charity holds properties and office equipment under non cancellable operating leases.

At 31 August 2018 the Charity had total future minimum lease payments under these leases as follows:

	2018 £'000	2017 £'000
Leases expiring not later than one year	242	228
Leases expiring later than one year and not later than five years	466	384
Later than five years	962	975
	1,670	1,587



notes to the financial statements for the year ended 31 August 2018

5 Staff costs and employee benefits

	Total year ended 31 Aug 2018 £'000	Total Year ended 31 Aug 2017 £'000
Wages & salaries	7,362	6,718
Social security costs	552	499
Defined contribution pension scheme costs	143	100
Defined benefit pension scheme costs	38	33
SHPS remeasurement	(40)	(14)
Redundancy and severance pay	55	18
	8,110	7,354

	2018	2017
The average number of employees and supply workers during the year:	481	445

In addition to the above employment costs the Charity utilised the services of employment agency staff to support the delivery of essential services to beneficiaries within Education & Training and Housing & Support. The increase in agency costs was necessitated by difficulties in recruiting staff during the year to support increased service delivery.

	2018	2017
	£'000	£'000
Agency staff costs:	848	609

Neither the Board of Directors nor persons connected with them received any remuneration or other benefits. The sum of £2,732 (2017: £5,158) was reimbursed for travel expenses incurred by 5 Board members during the year. One Board member was reimbursed expenses for volunteering in another role. See Note 20 Related Parties.

	2018	2017
	£'000	£'000
		Restated

Key management personnel:

Emoluments for that group of employees	358	342
Employers National Insurance contributions	41	39
Employers pension contributions	21	20
	420	401

Key management personnel are defined as the members of the Senior Management Team: Chief Executive, Deputy Chief Executive, College Principal, Director of Community Services, Director of Fundraising, Director of Housing & Support.

The number of employees whose emolument exceeded £60,000 was:

	2018	2017
£70,001 - £80,000	2	2



notes to the financial statements for the year ended 31 August 2018

6 Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings plant & vehicles £'000	Assets under construction £'000	Total £'000
Cost				
At 1 September 2017	13,634	3,360	-	16,994
Additions	50	115	15	180
Disposals	(122)	-	-	(122)
At 31 August 2018	13,562	3,475	15	17,052
Depreciation				
At 1 September 2017	7,771	3,093	-	10,864
Charge for year	496	116	-	612
Disposals	(122)	-	-	(122)
At 31 August 2018	8,145	3,209	-	11,354
Net book value at 31 August 2018	5,417	266	15	5,698
Net book value at 31 August 2017	5,863	267	-	6,130

The Charity has a bank overdraft and loans secured on several of its fixed assets.

The carrying value in these accounts of those assets that are pledged as security are:

	2018 £'000	2017 £'000
College property	3,006	3,255
Housing & support properties	1,028	1,106
	4,034	4,361
Value of bank overdraft and loans to which security belongs		
Bank overdraft see Note 9	241	461
Bank loans see Notes 9 & 10	1,390	1,532
	1,631	1,993



notes to the financial statements for the year ended 31 August 2018

7 Investments

Investments are stated at market value at 31 August 2018 and are held by nominee companies on behalf the Charity

	Unrestricted £'000	Restricted £'000	Permanent endowment £'000	Total £'000
Market value 1 September 2017	2,958	272	1,260	4,490
Additions	582	0	238	820
Disposals at market value	(590)	0	(238)	(828)
Revaluation gain - unrealised	12	19	17	48
Movement within investment portfolio	2	-	(9)	(7)
Market Value 31 August 2018	2,964	291	1,268	4,523

	Unrestricted £'000	Restricted £'000	Permanent endowment £'000	Total 2018 £'000	Total 2017 £'000
Investments comprise:					
Listed investments	2,946	291	1,264	4,501	4,461
Cash in bank	18	-	4	22	29
	2,964	291	1,268	4,523	4,490
Historic cost	1,829	226	1,051	3,106	4,021

None of the investments have a market value at 31 August 2018 exceeding 5% of the value of the total portfolio.

The Charity had at 31 August 2018 a loan secured and a bank overdraft facility secured on two unrestricted investment portfolios. The valuation in these accounts of those assets that are pledged as security are

	2018 £'000	2017 £'000
Loan	1,494	1,492
Bank overdraft	1,470	-
	2,964	1,492

The value of the loan and overdraft to which security belongs:

	Note	2018 £'000	2017 £'000
Other loan	9	1,000	735
Bank overdraft	9	700	-
		1,700	735



notes to the financial statements for the year ended 31 August 2018

8 Debtors

	2018 £'000	2017 £'000
Fees and charges invoiced	555	544
Other debtors	8	15
Prepayments and accrued income	358	418
	921	977

9 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	281	233
Bank overdrafts	941	461
Loans	139	136
Other loans	1,000	735
Pension scheme liability	293	284
Special purpose funds held	18	17
Other creditors	110	45
Other taxation	137	137
Accruals and deferred income	673	581
	3,592	2,629

10 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Loans	1,251	1,396
Pension scheme liability	1,857	2,162
	3,108	3,558

Loans

The loans are from banks and building societies, secured by charges on the Charity's properties and are repayable in instalments at varying rates of interest due as follows:

	2018 £'000	2017 £'000
Due in less than one year	139	136
Due between one and two years	141	138
Due between two and five years	435	421
Due in five years or more	675	837
	1,390	1,532

The Charity's loan agreement is subject to covenant clauses whereby the Charity is required to meet certain key financial provisions. The Charity did not meet the free reserves requirement of £1m at the year end. Due to this breach, an Event of Default has occurred and the bank is contractually entitled to request for repayment on demand of the outstanding loan amount of £1m.

A reduction in free reserves was budgeted as part of the College recovery plan and the bank was made aware of a likely shortfall. The bank has not given any indication that it will request early repayment of the loan as of the date when these financial statements were approved for issue and the Charity has unencumbered properties with a current value of £1.8m available to secure additional borrowings. Therefore, the outstanding balance is presented as a non-current liability as at 31 August 2018.



notes to the financial statements for the year ended 31 August 2018

11 Deferred income

Deferred income relates to fee income where terms and conditions have not been met at the balance sheet date, or where some uncertainty exists as to whether they can be met. In these instances income is not recognised, but deferred as a liability until it is probable that the terms or conditions imposed can be met.

	Balance as at 1 September 2017 £'000	Prior year released £'000	Additions £'000	Balance as at 31 Aug 2018 £'000
College fees	312	(299)	169	182
Housing & support fees	97	(94)	69	72
Community services grants	3	(3)	3	3
Total	412	(396)	241	257

12 Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	2018 £'000	2017 £'000 Restated
Financial assets measured at amortised cost	593	694
Financial investments measured at fair value	4,501	4,461
Financial liabilities measured at amortised cost	5,628	5,406



notes to the financial statements for the year ended 31 August 2018

13 Reserves

a) Funds reported under FRS 102

	Balance as at 1 September 2017 £'000	Incoming funds £'000	Unrealised gain on investment £'000	Transfers £'000	SHPS defined benefit scheme movement £'000	Amounts expended £'000	Balance as at 31 Aug 2018 £'000
Note							
(i) Unrestricted funds							
Fund excluding FRS 102 pension restatement	4,140	10,840	12	1	(296)	(11,741)	2,956
FRS 102 pension liability 17.1	(2,446)	-	-	-	296	-	(2,150)
Total Unrestricted funds	1,694	10,840	12	1	-	(11,741)	806
(ii) Restricted funds 12b	2,583	456	19	(1)	-	(534)	2,523
(iii) Endowment funds 12c	1,260	-	17	-	-	(9)	1,268
Total	5,537	11,296	48	-	-	(12,284)	4,597

b) Restricted funds: Movement in the year

	Balance as at 1 September 2017 £'000	Incoming funds £'000	Unrealised gain on investment £'000	Transfers £'000	Amounts expended £'000	Balance as at 31 Aug 2018 £'000
Greater Manchester Community Services	1	-	-	-	-	1
BBC Children in Need reference 2014 - 1965/NW	1	9	-	(1)	(9)	-
BBC Children in Need reference 2017 - 2870/NW	-	17	-	-	(15)	2
Community Resource Grant	3	10	-	-	(10)	3
Media & IT Centre	482	-	-	-	(23)	459
Restricted Fixed Assets	1,664	169	-	-	(194)	1,639
Sight Support Oldham	339	9	19	-	(55)	312
BIG Lottery Pathway to Wellbeing	5	109	-	-	(106)	8
Include IT Merseyside	4	24	-	-	(28)	-
Bolton Society for Blind People	15	3	-	-	(16)	2
Bolton Council Department of People Services	45	56	-	-	(50)	51
Social Investment Business Grant (Reach Fund)	-	15	-	-	(4)	11
Stoller Charitable Trust	8	15	-	-	(16)	7
College	12	11	-	-	(4)	19
Sport England Tacking Inactivity & Economic Disadvantage	-	9	-	-	-	9
Wigan Metropolitan Borough Council	4	-	-	-	(4)	-
Total	2,583	456	19	(1)	(534)	2,523

Restricted funds are funds subject to specific trusts which may be declared by the donor, or with their authority (e.g. in a public appeal) but still within the objects of the Charity. Restricted funds may be restricted income funds, which are expendable in furtherance of some particular aspect of the objects of the charity, or they may be capital funds, where the assets are required to be invested, or retained for actual use, rather than expended.

Restricted Fixed Assets and Media & IT Centre funds relate primarily to premises at College.

Sight Support Oldham funds relate to assets donated by that charity to continue work in Oldham.

c) Endowment funds

Endowment funds are held in accordance with restrictions placed on them at the time of receipt. Most funds were donated by charities whose primary objects were to help people with visual impairment and this work continues through many aspects of Henshaws activities as detailed in the Trustee Report.



notes to the financial statements for the year ended 31 August 2018

14 Subsidiary companies

Henshaws Society for Blind People has two wholly-owned subsidiary companies, Henshaws Enterprises Limited and Sight Loss Innovation Limited. Neither company is a charity. Henshaws Enterprises Limited was formed on 7 September 2009 with a paid up ordinary share capital of £1. Sight Loss Innovation Limited was formed on 31 May 2017 with a paid up ordinary share capital of £100. Neither company traded during the year ended 31 August 2018, nor did they incur any liability or enter into any commitment.

15 Custodian Trustee

The Trustees of Henshaws Society for Blind People incorporated under section 251 of the Charities Act 2011 hold a number of assets and liabilities on trust for the Charity pending arrangements to transfer legal title to Henshaws Society for Blind People Trustee Limited. At 31 August the assets held are four owned residential homes. Liabilities held were one loan secured on the four owned properties.

16 Post balance sheet event

The Charity sold one of its Housing properties on 07 January 2019 and repaid the outstanding balance on the AIB loan which was secured on this property along with three other Housing properties.

17 Fidelity insurance

The Charity has provided fidelity insurance for its Trustee Board of Directors and officers.

18 Capital commitments

	2018	2017
Capital expenditure that has been contracted for but has not been provided for in the financial statements	£'000	£'000
	Nil	Nil

19 Pension obligations

19.1 Defined benefit schemes

The Charity offers one defined benefit scheme, the Teachers Pension Scheme. The defined benefit scheme for Social Housing Pension Scheme (SHPS) was closed to new entrants as at 31 March 2013. The assets of these schemes are held in separate trustee administered funds and the respective pension providers have provided the following disclosure statements:

a) Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.



notes to the financial statements for the year ended 31 August 2018

(i) The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

(ii) Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

(iii) Scheme changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS.

Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.



notes to the financial statements for the year ended 31 August 2018

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The charge to the Charity for the year was £38,352 (2016-17: £32,560) and the average number of staff who were members of the Scheme during the year was 6 (2016-17: 6).

b) Social Housing Pension Scheme **(i) The scheme**

The Charity participates in this multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the Scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal.

A full actuarial valuation for the Scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m.

To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the Scheme as follows:

(ii) Overall scheme deficit contributions

Tier 1	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 2	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1st April)
Tier 3	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)
Tier 4	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1st April)



notes to the financial statements for the year ended 31 August 2018

(ii) Overall scheme deficit contributions – continued

Note that the Scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the Scheme is in deficit and where the Charity has agreed to a deficit funding arrangement, the Charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

(iii) Present values of Henshaws' provision

	31 Aug 2018 £'000	31 Aug 2017 £'000	31 Aug 2016 £'000
Present value of provision	2,150	2,446	2,706

Reconciliation of opening and closing provisions

	Year ending 31 Aug 2018 £'000	Year ending 31 Aug 2017 £'000
Provision at start of period	2,446	2,706
Unwinding of the discount factor (interest expense)	28	28
Deficit contributions paid	(284)	(274)
Remeasurements - impact of any change in assumptions	(40)	(14)
Provision at end of period	2,150	2,446

(iv) Income and expenditure impact

	Year ending 31 Aug 2018 £'000	Year ending 31 Aug 2017 £'000
Interest expense	28	28
Remeasurements – impact of any change in assumptions	(40)	(14)
Costs recognised in income and expenditure account	12	14



notes to the financial statements for the year ended 31 August 2018

(v) Assumptions

	31 Aug 2018 % per annum	31 Aug 2017 % per annum	31 Aug 2016 % per annum
Rate of discount	1.70	1.22	1.09

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The average number of Charity staff who were active members of the scheme during the year was nil (2016-17: nil). The scheme was closed as at 31 March 2013 both to new entrants and future accrual of benefits by existing members.

19.2 Defined contribution schemes

The Charity also contributes to two defined contribution schemes up to a current maximum of 3% of gross salary. Total contributions of £126,191 (2016-17: £83,266) were made to the schemes during the year and the average number of Charity staff who were members of these schemes during the year was 331 (2016-17: 284).

20 Related party transactions

The Charity received donations from 5 directors of the Trustee Board amounting to £1,373 (2016-17 £1,609). The Charity reimbursed Community Services volunteer expenses to 1 director of the Trustee Board amounting to £167 (2016-17 £264).

21 Voluntary income and income from trusts and grants

Details of voluntary income generated by the fundraising team, appears on page 36. This income has been received from individuals, groups, companies and charitable trusts, who all receive written acknowledgements. Some of the specific grants were as follows:

Big Lottery Fund

£109,509.50 from Big Lottery Fund's Reaching Communities Programme as part payment for Henshaws Pathway to Wellbeing: Trafford, Manchester, Salford (Project ID 0010261149).

Community resource grant

£10,000 from Liverpool City Council as part payment towards the costs of a range of services for visually impaired residents of the City of Liverpool delivered from our Merseyside Resource Centre.

Sport England

£9,500 Tackling Inactivity and Economic Disadvantage URN 2018000168.



• notes to the financial statements for the year ended 31 August 2018

BBC Children in Need

£8,451.50 from BBC Children in Need towards the cost of the 'I Can Do It' Children & Young Peoples' programme to improve the independence of visually impaired children in Greater Manchester, reference 2014-1965/NW.

£16,830.55 from BBC Children in Need towards the cost of the 'Can do, Will do' programme to improve the independence of visually impaired children in Greater Manchester, reference 2017-2870/NW

Donations

We would like to express heartfelt thanks to all those who played a key role in supporting Henshaws in 2017-18. The continuing generosity and commitment of our local supporters, volunteers, partners and funders throughout the past year has been crucial to our success – thank you all. In addition, we are extremely grateful for all those who have left Henshaws a gift in their Will and for those who support Henshaws on a regular basis, allowing us to plan for our future.

The following grant makers, organisations and individuals had a significant impact in generating voluntary income for Henshaws in 2017-18 with donations in excess of £5,000:

BBC Children in Need
The Beatrice Laing Trust
Big Lottery Fund
Bruntwood
Cargill PLC
C R H Charitable Trust
The Duke of Devonshire's Charitable Trust
Ellesmere Golf Club
Esprit Group Ltd
Honorary Alderman Anne Jones - Immediate Past Mayor of Harrogate Borough
The Kirkby Foundation
Liverpool City Council
The Liz and Terry Bramall Foundation
Masonic Charitable Foundation
Miss A Sanders
Mr D Taylor
Mr J Kelsey
Mr K Leckie
Mr N Osborn
Mrs I Brownlow
Ms J Frodsom
Ms M Cawley
Optix
Postcode Local Trust
The Ronald Hepworth Discretionary Will Trust
The Screwfix Foundation
Simpson Millar
The Sobell Foundation
Social Investment Business Grant (Reach Fund)
Sport England
Stoller Charitable Trust
Thomas Pocklington Trust
The Zochonis Charitable Trust



• trustee board of directors and the senior management team

The following Directors have served on the Board of Henshaws Society for Blind People Trustee Limited during the course of the year and served at the date of signing this report, unless otherwise stated:

Board of Directors

Kevin Brady, Chair (appointed 17 September 2018)
Jane Haywood, (resigned 20 March 2019)
John Crowther, (resigned 20 March 2019)
Sally Bence, Vice Chairperson
David Martin, (resigned 19 September 2017)
Chris Partington, (resigned 30 January 2018)
Christine Oates, (appointed 17 September 2018)
Arthur Aston, (appointed 17 September 2018)
Andrew Rose (resigned 20 March 2019)
Carl Atkinson
Helen Brazier
Ryan Barber
Richard Platt
Jesse Harris (resigned 20 March 2019)
Dr Anthony Best
Russell Davidson
Patrick Roche (appointed 4 February 2019)
Elizabeth Craig (appointed 4 February 2019)
Monaza Luqman-Choudry (appointed 4 February 2019)

Custodian Trustees

Dr Anthony Best (appointed 9 November 2017)
Russell Davidson (appointed 9 November 2017)
Andrew Rose (resigned 19 March 2018)

Senior Management Team

Nick Marr, Chief Executive
Melanie Avis, Deputy Chief Executive
Robert Cooper, Director of Community Services
Angela North, College Principal (left 31 August 2018)
Fiona Ashcroft, Director of Fundraising
Rachel Lorimer, Director of Housing and Support (appointed 4 March 2019)
Deirdra Barr, Director of Marketing & Communications (appointed 1 December 2018)
Adrian Sugden, College Principal (appointed 7 January 2019)

President

Warren T Smith KSTJ, JP,
D Litt LLD, Lord Lieutenant of Greater Manchester

Ambassadors

Stefan Andrusyschyn
Phil Collins
Sir Ken Dodd OBE (deceased)
Paula Lane
Denise Leigh
Harold F Riley
Hannah Russell MBE
Tom Shaw
Rosie King
Sharon King

Patrons

Sir James Anderton CBE QPM DL
Sir David Barnes
Denis Brown
Baroness Susan Masham of Ilton
The Zochonis Charitable Trust

External Auditors

Beever and Struthers, St George's House,
215-219 Chester Road,
Manchester, M15 4JE

Bankers

Barclays Bank plc
25 James Street,
Harrogate, HG1 1QX

Investment advisers

Rathbone Brothers Plc
1 Curzon Street,
London, W1J 5FB
Sarasin & Partners
100 St Paul's Churchyard,
London, EC4M 8BU

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House, Narrow Quay,
Bristol, BS1 4QA

Insurers

Ecclesiastical Insurance Group
Beaufort House, Brunswick Road,
Gloucester, GL1 1JZ

Registered Office

4A Washbrook House,
Lancastrian Office Centre,
Talbot Road, Stretford,
Manchester, M32 0FP

To find out how you can get involved with Henshaws visit www.henshaws.org.uk or call 0300 222 5555.

Our centres

Henshaws Specialist College

Bogs Lane, Harrogate, North Yorkshire, HG1 4ED.

T: 01423 886 451 E: college@henshaws.ac.uk

Arts & crafts centre

50 Bond End, Knaresborough, North Yorkshire, HG5 9AL.

T: 01423 541 888 E: arts&crafts@henshaws.org.uk

Housing & support

Bogs Lane, Harrogate, North Yorkshire, HG1 4ED.

T: 01423 814 512 E: housing@henshaws.org.uk

Community services

Henshaws, 4A Washbrook House, Lancastrian Office Centre,
Talbot Road, Stretford, Manchester, M32 0FP.

T: 0300 222 5555 E: manchester@henshaws.org.uk