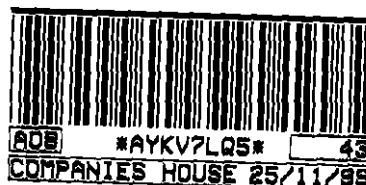


COS 14.5.

# The General Welfare of the Blind

(A registered charity and company limited by guarantee)

Accounts 31 March 1999  
together with Council's and Auditors' reports  
Charity number: 210794  
Company number: 116713



# The General Welfare of the Blind

Founded 1854

Registered in accordance with the National Assistance Act 1948

Registered under the Charities Act 1960

A company limited by guarantee

## **President**

HRH The Duchess of Gloucester

## **Council Chairman**

DF Calow

## **Vice Chairman and Hon. Treasurer**

TB Burton FCA

## **Council Members**

RA Barker

BN Taylor (resigned 24 September 1999)

GH Boote (resigned 19 January 1999)

R Wilson (appointed 29 January 1999)

RW Lynes (appointed 29 January 1999)

## **Auditors**

Binder Hamlyn

## **Chief Executive**

GP Robinson FCA

## **Bankers**

Barclays Bank plc

## **Secretary**

J Kay

## **Investment Managers**

Morgan Grenfell Investment Management  
Limited

## **Headquarters**

37/55 Ashburton Grove

London

N7 7DW

## **Solicitors**

Edge & Ellison

## **Trading Locations**

Ashburton Grove

London

Hanover Trading Estate

North Road

Islington

## Notice of annual general meeting

**NOTICE IS HEREBY GIVEN** that the 88th Annual General Meeting of the members of the above Company will be held at the headquarters of the Company at Ashburton Grove on 17 December 1999 at 10.30 a.m. for the following purposes:

- 1 To approve the minutes of the previous Annual General Meeting held on 29 January 1999 (Resolution No.1).
- 2 To approve and adopt the Council's report and annual accounts for the year ended 31 March 1999 and to receive the auditors' report (Resolution No.2).
- 3 To re-elect the following member of the Council who retires by rotation and, being eligible, will be proposed for re-election.

DF Calow (Resolution No.3)

- 4 To re-elect the following members who were elected to the Council since the last annual general meeting:

R Wilson (Resolution No. 4)

RW Lynes (Resolution No. 5)

- 5 To re-appoint Binder Hamlyn as auditors.
- 6 To transact any other ordinary business of the Company.

By Order of the Council



TB Burton

Council Member

17 December 1999

# Annual report of the Council

For the year ended 31 March 1999

The Council submits its report together with the audited financial statements for the year ended 31 March 1999.

## Statement of Council Members' responsibilities

Company law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the income and expenditure of the company for that period. In preparing those financial statements, the Council Members have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

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

## Principal Activities of the Company

The Company, which is a charity and trades under the name of GWB Products, employs blind and disabled people in supported factories in the manufacture of liquid products for the toiletry and household product markets, and in the manufacture of bedding products.

## Results

The net outgoing resources amounted to £1,000,302 (1998 - £258,346). A review of the Company's operations during the year is contained in the Chairman's statement on page 5.

## Properties

On 3 April 1999, the Company's interest in the investment properties at 1-33 Mesne Street and 38-44 Standisgate, Wigan, was valued at £1,550,000 by Richard Ellis, Chartered Surveyors (1998: £1,750,000).

## Employees

The average number of persons employed by the Company throughout the year was 148 (1998: 157) of whom 81 (1998: 87) were blind or disabled.

## Council

The Council Members at the date of this report are shown on page 1. One third of council members retire each year, but are allowed to stand for re-election at the Annual General Meeting. The Council has an Audit committee and a Compensation committee.

## Annual report of the Council (continued)

### Year 2000 compliance

Mindful of the risks associated with Year 2000 compliance, we have carried out a review of our IT systems. We shall continue to keep this issue under review to ensure that applications are updated as appropriate. The costs are not expected to be material.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Council on 17 November 1999



TB Burton

Council Member

## Chairman's statement

For the year ended 31 March 1999

I referred in my Chairman's statement last year to the reasons for the closure of our total facilities at Luton. During the year under review and since the year end the closure process has continued and I am pleased to report that the premises at Luton have either been disposed of or surrendered back to the landlord on terms which, in the circumstances, the Council considered to be favourable to GWB.

Of great importance is the fact that the vast majority of the disabled workforce at our Luton facility have obtained alternative employment, mainly at a supported factory operation run by Bedfordshire County Council.

The remainder of GWB's activities, namely contract manufacturing of liquid toiletry and household products and the manufacturer of mattresses and divans, both of which are operated from separate factories in North London, continued and, since the year end both have been trading well.

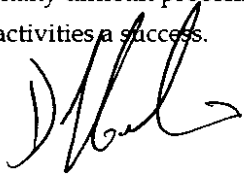
Currently some 60 blind or disabled personnel are employed in the two North London factories out of a total workforce of 101 employees. We are of course doing all we can to increase the number of disabled people who work for us.

On the trading front, of special note, is the change which we are continuing to implement in relation to our door-to-door direct selling business which is being replaced by telephone sales activities. This new method of selling is progressing well and should augur well for the future of GWB.

I am pleased also to report that since the year end we have disposed of the freehold property which was used as a small hostel in Luton for a price of £230,000.

Obviously the current year ending 31 March 2000 will be an important year for GWB to consolidate its remaining trading activities and to continue to build a future in our factories for as many disabled people as possible. In this respect, I should mention the consultative document relating to the future of supported employment issued by the Employment Service which has as its principal purpose the progression of disabled people from supported employment to open employment. GWB is working jointly with the National League of the Blind and Disabled, Action for Blind People, the Royal London School for the Blind and seeABILITY in order to co-ordinate a joint response to the consultative document and we will also be responding in our own right in relation to matters which we consider important to us in isolation.

I, and my colleagues on the Council, would like to record our thanks to GWB's management in having to cope with so many difficult problems over the last two years and, indeed, to all our employees who contribute to make our activities a success.



DF Calow  
Chairman

17 Nov 1999

# BINDER HAMLYN

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Andersen Worldwide

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20 Old Bailey  
London EC4M 7BH

## Auditors' report

To the members of The General Welfare of the Blind

We have audited the financial statements on pages 7 to 20 which have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out on pages 11 to 13.

### Respective responsibilities of Council Members and auditors

As described on page 3, the Council Members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

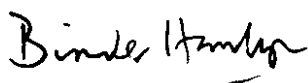
### Basis of opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1999 and of its incoming resources, application of resources expended and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
20 Old Bailey  
London  
EC4M 7BH

17 November 1999

# Statement of financial activities

For the year ended 31 March 1999

|  | Notes | Continuing<br>activities<br>£ | Discontinued<br>activities<br>£ | Total<br>1999<br>£ | Total<br>1998<br>£ |
|--|-------|-------------------------------|---------------------------------|--------------------|--------------------|
| <b>Incoming resources</b>                                  |       |                               |                                 |                    |                    |
| Sales from supported factories                             |       | 4,080,966                     | 2,323,187                       | 6,404,153          | 6,271,909          |
| Capitations  |       | 705,726                       | 227,100                         | 932,826            | 1,019,964          |
| Donations and legacies                                     | 2     | 162,310                       | -                               | 162,310            | 142,467            |
| Rental income  |       | 145,885                       | -                               | 195,885            | 215,439            |
| Investment income  | 3     | 29,484                        | -                               | 29,489             | 30,200             |
| Profit on sale of fixed assets                             |       | 3,000                         | -                               | 3,000              | 5,988              |
| <b>Total income</b>  |       | <b>5,177,376</b>              | <b>2,550,287</b>                | <b>7,727,663</b>   | <b>7,685,947</b>   |
| Costs of supported factories                               |       | (4,933,376)                   | (2,742,405)                     | (7,675,781)        | (7,709,686)        |
| Exceptional item   | 4     | -                             | (832,080)                       | (832,080)          | -                  |
| <b>Net resources available/(absorbed)</b>                  |       | <b>244,000</b>                | <b>(1,024,198)</b>              | <b>(780,198)</b>   | <b>(23,739)</b>    |
| <b>Resources expended</b>                                  |       |                               |                                 |                    |                    |
| <i>Direct charitable expenditure</i>                       |       |                               |                                 |                    |                    |
| Benefits to the blind and disabled                         |       |                               |                                 |                    |                    |
| - welfare  |       | 95,556                        | -                               | 96,556             | 96,904             |
| - hostel   |       | 15,648                        | -                               | 15,648             | 8,478              |
| Support costs  |       | 55,000                        | -                               | 55,000             | 55,000             |
|  |       | 167,204                       | -                               | 167,204            | 160,382            |
| <i>Other expenditure</i>                                   |       |                               |                                 |                    |                    |
| Fund-raising and publicity costs                           |       | -                             | -                               | -                  | 22,870             |
| Management and administration of the charity               |       | 52,900                        | -                               | 52,900             | 51,355             |
| <b>Resources expended</b>                                  | 5     | <b>220,104</b>                | <b>-</b>                        | <b>220,104</b>     | <b>234,607</b>     |
| <b>Net incoming/(outgoing) resources (carried forward)</b> | 7     | <b>23,896</b>                 | <b>(1,024,198)</b>              | <b>(1,000,302)</b> | <b>(258,346)</b>   |



## Statement of financial activities (continued)

For the year ended 31 March 1999

|   | Notes | Total<br>1999<br>£ | Total<br>1998<br>£ |
|---|-------|--------------------|--------------------|
| <b>Net outgoing resources (brought forward)</b>       |       | (1,000,302)        | (258,346)          |
| Gains on investment assets:                           |       |                    |                    |
| Realised gains on listed investments                  | 9     | 29,363             | 247,832            |
|   |       | (970,939)          | (10,514)           |
| Unrealised gains/(losses) on listed investments       | 9     | 39,603             | (19,379)           |
| Revaluation (loss)/gain of investment properties      | 9     | (200,000)          | 100,000            |
| Revaluation of hostel – see note 4                    | 9     | 215,208            | -                  |
| <b>Net movement in funds</b>                          |       | (916,128)          | 70,107             |
| Fund balances brought forward at 1 April 1998         |       | 4,337,864          | 4,267,757          |
| <b>Fund balances carried forward at 31 March 1999</b> |       | <u>3,421,736</u>   | <u>4,337,864</u>   |

The company has no recognised gains and losses other than those stated above. The deficit for the year for Companies Act purposes includes realised gains on investments and was £970,939 (1998 - £10,514).

# Balance sheet

As at 31 March 1999

|  | Notes | 1999<br>£          | 1998<br>£          |
|--|-------|--------------------|--------------------|
| <b>Fixed assets</b>  |       |                    |                    |
| Tangible assets  | 8     | 1,046,508          | 1,734,722          |
| Investments  | 9     | 2,526,398          | 2,825,991          |
|  |       | <u>3,572,906</u>   | <u>4,560,713</u>   |
| <b>Current assets</b>  |       |                    |                    |
| Stocks   | 10    | 869,962            | 1,098,925          |
| Debtors  | 11    | 821,952            | 1,329,781          |
| Cash   |       | 3,991              | 25,148             |
|  |       | <u>1,695,905</u>   | <u>2,453,854</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 12    | <u>(1,334,199)</u> | <u>(1,945,312)</u> |
| <b>Net current assets</b>                                      |       | <u>361,706</u>     | <u>508,542</u>     |
| <b>Total assets less current liabilities</b>                   |       | 3,934,612          | 5,069,255          |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | (436,200)          | (549,866)          |
| <b>Deferred income</b>   | 14    | <u>(76,676)</u>    | <u>(181,525)</u>   |
| <b>Net assets</b>  |       | <u>3,421,736</u>   | <u>4,337,864</u>   |
| <b>Funds</b>   |       |                    |                    |
| <b>General funds</b>   |       |                    |                    |
| Realised   |       | 2,058,631          | 3,029,570          |
| Unrealised   |       | 1,393,105          | 1,308,294          |
|  |       | <u>3,421,736</u>   | <u>4,337,864</u>   |

The financial statements on pages 7 to 20 were approved by the Council on 17 November 1999



DF Calow  
Chairman



TB Burton  
Honorary Treasurer

## Cash flow statement

for the year ended 31 March 1999

|   | Notes | 1999<br>£ | 1998<br>£ |
|---|-------|-----------|-----------|
| <b>Net cash outflow from operating activities</b> | 17    | (25,300)  | (258,286) |
| Returns on investments and servicing of finance   | 18    | 148,871   | 175,459   |
| Capital expenditure and financial investment      | 18    | 265,150   | (80,267)  |
| <b>Cash inflow/(outflow) before financing</b>     |       | 388,721   | (163,094) |
| Financing   | 18    | (142,935) | (66,372)  |
| <b>Increase/(decrease) in cash in the year</b>    | 19    | 245,786   | (229,466) |

# Notes to the financial statements

For the year ended 31 March 1999

## 1 Accounting policies

### *a) Basis of preparation*

The financial statements have been prepared under the historical cost convention, with the exception of fixed asset investments which are included on a market value basis. The accounts, have been prepared in accordance with the Statement of Recommended Practice ("SORP") - Accounting by Charities and applicable accounting standards.

### *b) Company status*

The Charity is a company limited by guarantee. The guarantors are the Council members of the General Welfare of the Blind. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 while a person is a Council member and for up to one year after ceasing to be a member. The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the company's activities.

### *c) Fund accounting*

General funds are available for use at the discretion of the Council in furtherance of the general objectives of the Charity.

All income and expenditure is shown in the Statement of Financial Activities.

### *d) Sales from supported factories*

Sales represents the amount receivable for goods and services provided in the normal course of trading net of trade discounts, VAT and other sales related taxes.

### *e) Capitations*

Capitations are received from local authorities in respect of blind and disabled employees and are credited in the period to which they relate.

### *f) Donations and legacies*

Donations, legacies and other voluntary income are recognised on a receivable basis when the Council consider that such recognition is prudent and practicable and conditions for receipt have been met.

### *g) Foreign currencies*

Transactions in foreign currencies are converted at the exchange rate ruling at the time of the transaction.

### *h) Resources expended*

The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources and the number of employees involved.

Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### i) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis at the following annual rates:

|                     |   |  |
|---------------------|---|--|
| Freehold buildings  | - | at varying rates between 0.5% and 1.5% |
| Leasehold buildings | - | life of lease                          |
| Plant and machinery | - | 10%                                    |
| Motor vehicles      | - | 25%                                    |
| Computer equipment  | - | 20%                                    |

#### j) *Investments*

Investments are stated at market value. Market value is taken to be the middle market price ruling at the balance sheet date.

#### k) *Investment properties*

Investment properties are valued at each balance sheet date.

#### l) *Stocks*

Raw material and finished goods stocks are valued at the lower of cost and net realisable value. Cost in relation to manufactured products is the cost of labour and materials with a proportion of overhead expended added where appropriate.

#### m) *Pension costs*

The regular cost of providing pension and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. Any difference between the charge to the statement of financial activities and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

#### n) *Finance and operating leases*

Rentals applicable to operating leases are charged to the statement of financial activities over the period in which the cost is incurred.

Assets purchased under finance lease are capitalised in fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges.

Finance charges are written-off over the period of the lease so as to produce a constant periodic rate of charge on fixed interest contracts.

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### *o) Capital grants from the Employment Service*

Grants are receivable from the Employment Service in respect of certain plant and machinery. They are subject to conditions laid down by the Service and are repayable on a diminishing basis within five years of receipt if the plant and machinery in question is sold. These grants are released to the statement of financial activities in equal and annual instalments in line with the reduction in amount repayable if the plant were to be sold.

### 2 Donations and legacies

|                                   | 1999<br>£      | 1998<br>£      |
|-----------------------------------|----------------|----------------|
| Greater London Fund for the Blind | 41,594         | 53,082         |
| Legacies                          | 115,255        | 82,749         |
| Other donations                   | 5,465          | 6,636          |
|                                   | <u>162,314</u> | <u>142,467</u> |

### 3 Investment income

|                      | 1999<br>£     | 1998<br>£     |
|----------------------|---------------|---------------|
| Interest receivable  | -             | 173           |
| Dividends receivable | 29,489        | 30,027        |
|                      | <u>29,489</u> | <u>30,200</u> |

### 4 Exceptional item

The Council decided to close the Luton aerosol plant on 27 November 1998. The following exceptional costs are associated with the discontinued activity.

|  | £                |
|--|------------------|
| Redundancy costs                       | 131,210          |
| Costs after closure                    | 123,222          |
| Capital grant write-back               | (101,662)        |
| Loss on plant disposal                 | 533,459          |
| Loss on lease disposal                 | 73,901           |
| Stock write-off                        | 71,850           |
| Net exceptional costs - page 7         | <u>832,080</u>   |
| Gain on revaluation of hostel - page 8 | <u>(215,208)</u> |
|  | <u>616,872</u>   |

## Notes to the financial statements (continued)

### 5 Total resources expended

|   | Staff<br>costs<br>£ | Other<br>costs<br>£ | Allocated<br>costs<br>£ | Total<br>1999<br>£ | Total<br>1998<br>£ |
|---|---------------------|---------------------|-------------------------|--------------------|--------------------|
| Benefits to the blind and disabled              |                     |                     |                         |                    |                    |
| - welfare                                       | 49,377              | 47,179              | -                       | 96,556             | 96,904             |
| - hostel  | 14,836              | 812                 | -                       | 15,648             | 8,478              |
| Support costs                                   | -                   | 5,000               | 50,000                  | 55,000             | 55,000             |
| Fund-raising and publicity                      | -                   | -                   | -                       | -                  | 22,870             |
| Management and administration of<br>the charity | 312,114             | 461,477             | (720,691)               | 52,900             | 51,355             |
| Net exceptional costs                           | 131,210             | 700,870             | -                       | 832,080            | -                  |
|   | 507,537             | 1,215,338           | (670,691)               | 1,052,184          | 234,607            |
| Costs from supported factories                  | 1,849,799           | 5,155,291           | 670,691                 | 7,675,781          | 7,709,686          |
| Total resources expended                        | 2,357,336           | 6,370,629           | -                       | 8,727,965          | 7,944,293          |

### 6 Staff costs

|                       | 1999<br>£ | 1998<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 1,979,944 | 2,009,979 |
| Social security costs | 142,069   | 140,429   |
| Pension costs         | 104,113   | 112,103   |
| Redundancy costs      | 131,210   | -         |
|                       | 2,357,336 | 2,262,511 |

One employee earned between £50,000 and £55,000 (1998: 1).

The average number of employees, analysed by function was:

|  | 1999<br>Number | 1998<br>Number |
|--|----------------|----------------|
| Production                                   | 136            | 144            |
| Sales  | 5              | 5              |
| Welfare                                      | 2              | 2              |
| Fund-raising and publicity                   | -              | 1              |
| Management and administration of the charity | 5              | 5              |
|  | 148            | 157            |

## Notes to the financial statements (continued)

### 7 Net outgoing resources is stated after charging/(crediting):

|   | 1999<br>£ | 1998<br>£ |
|---|-----------|-----------|
| Depreciation  |           |           |
| - Hire purchase assets  | 7,791     | 14,043    |
| - other   | 194,680   | 250,510   |
| Grants from the Employment Services released from reserves    | (133,491) | (51,143)  |
| Surplus on sale of tangible fixed assets                      | (3,000)   | (5,988)   |
| Auditors' remuneration  | 18,000    | 17,000    |
| Hire purchase interest  | 2,087     | 1,669     |
| Operating lease rentals                                       |           |           |
| - plant and machinery   | 29,317    | 29,106    |
| - land and buildings  | 254,421   | 254,421   |
| Interest on bank loans falling due after more than five years | 7,119     | 13,272    |
| Interest on other bank loans and overdrafts                   | 67,297    | 55,239    |

### 8 Tangible fixed assets

|                                  | Freehold<br>land<br>£ | Freehold<br>building<br>£ | Short<br>leasehold<br>£ | Long<br>leasehold<br>£ | Plant and<br>machinery<br>£ | Total<br>£       |
|----------------------------------|-----------------------|---------------------------|-------------------------|------------------------|-----------------------------|------------------|
| <b>Cost</b>                      |                       |                           |                         |                        |                             |                  |
| 1 April 1998                     | 11,040                | 32,859                    | 149,785                 | 835,456                | 2,359,453                   | 3,388,593        |
| Additions                        | -                     | -                         | 4,858                   | -                      | 131,551                     | 136,409          |
| Revaluations                     | -                     | 209,325                   | -                       | -                      | -                           | 209,325          |
| Transfer to investments (note 9) | -                     | (230,000)                 | -                       | -                      | -                           | (230,000)        |
| Disposals                        | -                     | -                         | (111,371)               | -                      | (1,721,569)                 | (1,832,940)      |
| <b>31 March 1999</b>             | <b>11,040</b>         | <b>12,184</b>             | <b>43,272</b>           | <b>835,456</b>         | <b>769,435</b>              | <b>1,671,387</b> |
| <b>Depreciation</b>              |                       |                           |                         |                        |                             |                  |
| 1 April 1998                     | -                     | 11,580                    | 47,951                  | 148,544                | 1,445,796                   | 1,653,871        |
| Charge for year                  | -                     | 150                       | 9,185                   | 9,813                  | 183,323                     | 202,471          |
| Revaluations                     | -                     | (5,883)                   | -                       | -                      | -                           | (5,883)          |
| Disposals                        | -                     | -                         | (37,470)                | -                      | (1,188,110)                 | (1,225,580)      |
| <b>31 March 1999</b>             | <b>-</b>              | <b>5,847</b>              | <b>19,666</b>           | <b>158,357</b>         | <b>441,009</b>              | <b>624,879</b>   |
| <b>Net book value</b>            |                       |                           |                         |                        |                             |                  |
| <b>at 31 March 1999</b>          | <b>11,040</b>         | <b>6,337</b>              | <b>23,606</b>           | <b>677,099</b>         | <b>328,426</b>              | <b>1,046,508</b> |
| At 31 March 1998                 | 11,040                | 21,279                    | 101,834                 | 686,912                | 913,657                     | 1,734,722        |

Plant and machinery includes assets with a net book value of £22,141 (1998 - £30,651) held under hire purchase agreements. The revalued property has been transferred to fixed asset investments. It has been valued at £230,000 at the year end. At 1 April 1998 the cost of the property was £20,675 and after depreciation of £5,883 the net book value was £14,792. This gave rise to a revaluation surplus of £215,208.



## Notes to the financial statements (continued)

### 9 Fixed asset investments

|   | Listed<br>investments<br>£ | Freehold<br>property<br>- Wigan<br>£ | Freehold<br>property<br>- Luton<br>£ | Bank<br>deposits<br>£ | Total<br>£         |
|---|----------------------------|--------------------------------------|--------------------------------------|-----------------------|--------------------|
| Market value as at 1 April 1998             | 1,075,991                  | 1,750,000                            | -                                    | -                     | 2,825,991          |
| Transfer from tangible assets (note 8)      | -                          | -                                    | 230,000                              | -                     | 230,000            |
| Additions                                   | 137,000                    | -                                    | -                                    | 2,675                 | 139,675            |
| Disposals                                   | (538,234)                  | -                                    | -                                    | -                     | (538,234)          |
| Net investment gains/(losses)               | 68,966                     | (200,000)                            | -                                    | -                     | (131,034)          |
| <b>Market value as at 31 March 1999</b>     | <b>743,723</b>             | <b>1,550,000</b>                     | <b>230,000</b>                       | <b>2,675</b>          | <b>2,526,398</b>   |
| <b>Historical cost as at 31 March 1999</b>  | <b>(629,576)</b>           | <b>(516,250)</b>                     | <b>(14,792)</b>                      | <b>(2,675)</b>        | <b>(1,163,293)</b> |
| Unrealised gains at 31 March 1999           | 114,147                    | 1,033,750                            | 215,208                              | -                     | 1,363,105          |
| Unrealised gains at 31 March 1998           | 74,544                     | 1,233,750                            | -                                    | -                     | 1,308,294          |
| Movement on unrealised gains                | 39,603                     | (200,000)                            | 215,208                              | -                     | 54,811             |
| Realised gain based on historic cost        | 29,363                     | -                                    | -                                    | -                     | 29,363             |
| Net investment gains                        | 68,966                     | (200,000)                            | 215,208                              | -                     | 84,174             |
| <b>Historical cost as at 31 March 1998</b>  | <b>1,001,447</b>           | <b>516,250</b>                       | <b>-</b>                             | <b>-</b>              | <b>1,517,697</b>   |
| <b>Market value of: listed investments:</b> | <b>£</b>                   |                                      |                                      |                       |                    |
| Charities Aid Foundation                    | 743,723                    |                                      |                                      |                       |                    |

### 10 Stocks

|                               | 1999<br>£      | 1998<br>£        |
|-------------------------------|----------------|------------------|
| Raw materials and consumables | 399,549        | 611,572          |
| Finished goods                | 470,413        | 487,353          |
|                               | <u>869,962</u> | <u>1,098,925</u> |

### 11 Debtors

|                                | 1999<br>£      | 1998<br>£        |
|--------------------------------|----------------|------------------|
| Trade debtors                  | 714,674        | 1,186,288        |
| Other debtors                  | 80,274         | 98,635           |
| Prepayments and accrued income | 27,004         | 44,858           |
|                                | <u>821,952</u> | <u>1,329,781</u> |

## Notes to the financial statements (continued)

### 12 Creditors: amounts falling due within one year

|   | 1999<br>£        | 1998<br>£        |
|---|------------------|------------------|
| Bank loans and overdrafts (See note 13) | 313,297          | 639,827          |
| Trade creditors                         | 557,782          | 895,786          |
| Other creditors                         | 206,333          | 235,663          |
| Grants repayable                        | 40,120           | -                |
| Other taxes and social security         | 88,628           | 103,121          |
| Accruals                                | 113,017          | 57,569           |
| Hire purchase agreements                | 15,022           | 13,346           |
|   | <u>1,334,199</u> | <u>1,945,312</u> |

### 13 Creditors: amounts falling due after more than one year

|  | 1999<br>£      | 1998<br>£      |
|--|----------------|----------------|
| Bank loans                                     | 239,950        | 353,616        |
| Interest free loan from the Employment Service | <u>196,250</u> | <u>196,250</u> |
|  | <u>436,200</u> | <u>549,866</u> |
| Bank loans                                     |                |                |
| The loans are repayable as follows:            |                |                |
| Between two and five years                     | 129,280        | 342,739        |
| More than five years                           | <u>110,670</u> | <u>10,877</u>  |
|  | 239,950        | 353,616        |
| Within one year                                | <u>25,321</u>  | <u>84,908</u>  |
|  | <u>265,271</u> | <u>438,524</u> |

The Barclays Bank loan of £265,271 is secured by way of a fixed charge over the company's listed investments and is for a period of 7 years. The charge which also covers the short term overdraft facilities, requires the minimum value of the listed investments to be greater than £600,000. It is repayable by monthly instalments to include capital and interest. Interest is charged at 1.5% above base rate, subject to a minimum of 5.5%.

The interest free loan from the Employment Service is repayable in the event of the premises at Ashburton Grove ceasing to be utilised for supported employment.

## Notes to the financial statements (continued)

### 14 Deferred income

|   | 1999<br>£     | 1998<br>£      |
|---|---------------|----------------|
| Capital grants from the Employment Service    |               |                |
| At 1 April 1998                               | 181,525       | 214,079        |
| Received in the year                          | 68,762        | 18,589         |
| Released to Statement of Financial Activities | (133,491)     | (51,143)       |
| Repayable to Employment Service               | (40,120)      | -              |
| At 31 March 1999                              | <u>76,676</u> | <u>181,525</u> |

### 15 Financial commitments

#### i) Capital commitments

There was no capital expenditure authorised and contracted for at the year end (1998: £nil).

#### ii) Operating leases

Annual commitments under non cancellable operating leases are as follows:

|                                    | 1999                       |               | 1998                       |               |
|------------------------------------|----------------------------|---------------|----------------------------|---------------|
|                                    | Land and<br>buildings<br>£ | Other<br>£    | Land and<br>buildings<br>£ | Other<br>£    |
| Expiring:                          |                            |               |                            |               |
| Within one year                    | 21,250                     | -             | -                          | -             |
| In second to fifth years inclusive | 60,100                     | 28,051        | 42,500                     | 22,706        |
| After five years                   | <u>35,000</u>              | <u>-</u>      | <u>202,430</u>             | <u>-</u>      |
|                                    | <u>116,350</u>             | <u>28,051</u> | <u>244,930</u>             | <u>22,706</u> |

Leases of land and buildings are subject to regular rent reviews.

### 16 Pension costs

The Company operates a defined benefit final salary pension scheme for all permanent employees, the assets of which are held in a separate trustee administered fund. The funding of this scheme and the company's pension cost are both determined based on advice provided by a professionally qualified actuary. The company's pensions costs for the year were £104,113 (1998 - £112,103) and were assessed using the Projected Unit Method together with the actuarial assumptions detailed below.

The pension scheme was formally valued at 1 April 1998 using the Projected Unit Method and assumed rates of investment return, earnings increases and pension increases in payment of 8.5%, 6.5% and 4.0% respectively. This valuation revealed that the scheme had assets with a market value of £8,316,000 and was funded to the extent of 118% of its liabilities on an on-going basis. As a result of the valuation, the company contributes to the scheme at the recommended rate of 7.1% of pensionable salaries.

### 18 The General Welfare of the Blind

## Notes to the financial statements (continued)

### 17 Reconciliation of net outgoing resources to operating cash flows

|   | 1999<br>£       | 1998<br>£        |
|---|-----------------|------------------|
| Changes in resources before revaluation           | (970,039)       | (10,514)         |
| Depreciation                                      | 202,471         | 264,553          |
| Interest paid                                     | 74,416          | 68,511           |
| Profit on sale of fixed asset investments         | (29,363)        | (247,832)        |
| Rents received                                    | (195,885)       | (215,439)        |
| Grant amortised                                   | (133,491)       | (51,143)         |
| Profit on sale of tangible fixed assets           | (3,000)         | (5,988)          |
| Dividend and interest income                      | (29,489)        | (30,200)         |
| Decrease in stocks                                | 228,963         | 174,796          |
| Decrease in debtors                               | 507,829         | 98,899           |
| Decrease in creditors                             | (286,259)       | (305,598)        |
| Interest element of hire purchase payment         | 2,087           | 1,669            |
| Loss on sale of tangible fixed assets             | 607,360         | -                |
| <b>Net cash outflow from operating activities</b> | <b>(25,300)</b> | <b>(258,286)</b> |

### 18 Analysis of cashflows for headings netted in the cashflow statement

|   | 1999<br>£        | 1998<br>£       |
|---|------------------|-----------------|
| <b>Returns on investments and servicing of finance</b>                            |                  |                 |
| Dividend and interest income  | 29,489           | 30,200          |
| Interest paid   | (74,416)         | (68,511)        |
| Rents received  | 195,885          | 215,439         |
| Interest element of hire purchase   | (2,087)          | (1,669)         |
| <b>Net cash inflow for returns on investments and servicing of finance</b>        | <b>148,871</b>   | <b>175,459</b>  |
| <b>Capital expenditure and financial investment</b>                               |                  |                 |
| Purchase of fixed asset investments   | (139,675)        | (885,908)       |
| Sale of fixed asset investments   | 538,234          | 880,219         |
| Purchase of tangible fixed assets   | (136,409)        | (81,227)        |
| Sale of tangible fixed assets   | 3,000            | 6,649           |
| <b>Net cash inflow/(outflow) for capital expenditure and financial investment</b> | <b>265,150</b>   | <b>(80,267)</b> |
| <b>Financing</b>  |                  |                 |
| Debt due beyond a year  | (130,877)        | (24,000)        |
| Repayment of secured loan   | (42,376)         | (57,860)        |
| Capital element of finance lease rental payments                                  | 1,676            | (3,101)         |
| Grants received   | 68,762           | 18,589          |
| Grants repayable  | (40,120)         | -               |
| <b>Net cash outflow from financing</b>  | <b>(142,935)</b> | <b>(66,372)</b> |

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# C · K · L PARTNERSHIP LIMITED

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*Chartered Certified Accountants and Registered Auditors*

ST. MARY'S HOUSE • 47 HIGH STREET • TRUMPINGTON • CAMBRIDGE • CB2 2HZ

TELEPHONE: 01223 844434 • FAX: 01223 845757 • EMAIL: [ckl@ckl.co.uk](mailto:ckl@ckl.co.uk)

## AUDITORS' REPORT TO DOVERS FARM ESTATES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 5 April 1999 prepared under section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

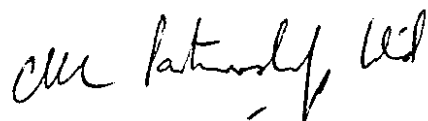
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver the abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.



C K L Partnership Limited  
Chartered Certified Accountants and  
Registered Auditors

9 September 1999

Page: 1

*Authorised to conduct investment business by The Association of Chartered Certified Accountants*

REGISTERED IN ENGLAND No. 2555762 AT THE ABOVE ADDRESS

DIRECTORS: GRIFFITH J. KINSMAN • C. STUART LINGARD • GERHARD HOCHMUTH • CONSULTANT: PAUL E. HARDING

# DOVERS FARM ESTATES LIMITED

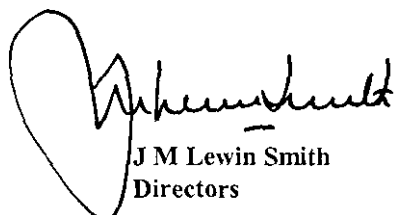
## ABBREVIATED BALANCE SHEET

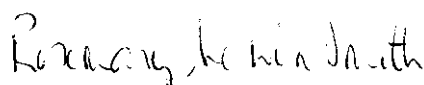
AS AT 5 APRIL 1999

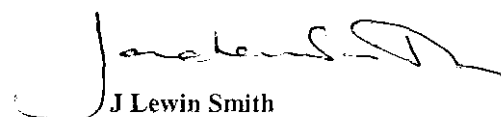
|  | Notes | 1999<br>£        | 1999<br>£        | 1998<br>£        | 1998<br>£        |
|--|-------|------------------|------------------|------------------|------------------|
| <b>Fixed Assets</b>                          |       |                  |                  |                  |                  |
| Tangible fixed assets                        | 2     |                  | 202,300          |                  | 143,594          |
|  |       |                  | <u>202,300</u>   |                  | <u>143,594</u>   |
| <b>Current Assets</b>                        |       |                  |                  |                  |                  |
| Stock  |       | 714,978          |                  | 932,061          |                  |
| Debtors                                      |       | 202,180          |                  | 157,088          |                  |
| Cash at bank and in-hand                     |       | 90,090           |                  | 30,027           |                  |
|  |       | <u>1,007,248</u> |                  | <u>1,119,176</u> |                  |
| <b>Creditors:</b>                            |       |                  |                  |                  |                  |
| Amounts falling due within one year          |       | <u>(94,473)</u>  |                  | <u>(78,750)</u>  |                  |
| <b>Net Current Assets</b>                    |       |                  | 912,775          |                  | 1,040,426        |
| <b>Total Assets Less Current Liabilities</b> |       |                  | <u>1,115,075</u> |                  | <u>1,184,020</u> |
| <b>Creditors:</b>                            |       |                  |                  |                  |                  |
| Amounts falling due after more than one year |       |                  | <u>(90,000)</u>  |                  | <u>(90,000)</u>  |
|  |       |                  | <u>1,025,075</u> |                  | <u>1,094,020</u> |
| <b>Capital and Reserves</b>                  |       |                  |                  |                  |                  |
| Share capital                                | 3     |                  | 200              |                  | 200              |
| Other reserves                               |       |                  | 146,577          |                  | 146,577          |
| Profit and loss account                      |       |                  | 878,298          |                  | 947,243          |
|  |       |                  | <u>1,025,075</u> |                  | <u>1,094,020</u> |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 9 September 1999.

  
J M Lewin Smith  
Directors

  
E R Lewin Smith

  
J Lewin Smith

**DOVERS FARM ESTATES LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 1999**

---

**1 Principal Accounting Policies**

***Accounting Convention***

The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999) under the historical cost convention.

***Cash Flow Statement***

In the opinion of the directors the company qualifies as a small company and accordingly a cash flow statement is not required.

***Turnover***

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

|                             |   |
|-----------------------------|---|
| Freehold land and buildings | 2% on cost (excluding the cost of the land) |
| Plant and machinery         | 10% on cost                                 |
| Motor vehicles              | 20% on cost                                 |
| Furniture and equipment     | 10% on cost                                 |

***Work in progress***

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price less any further costs of realisation.

***Deferred Taxation***

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

**DOVERS FARM ESTATES LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 1999**

---

**2 Fixed Assets**

|                                      | <b>Tangible<br/>Fixed Assets<br/>£</b> |
|--------------------------------------|--|
| <b>Cost</b>                          |  |
| At 6th April 1998                    | 204,471                                |
| Additions                            | 60,595                                 |
| At 5th April 1999                    | <u>265,066</u>                         |
| <b>Depreciation and amortisation</b> |  |
| At 6th April 1998                    | 52,366                                 |
| Provided for year                    | 10,400                                 |
| At 5th April 1999                    | <u>62,766</u>                          |
| <b>Net Book Value</b>                |  |
| At 5th April 1999                    | <u>202,300</u>                         |
| At 5th April 1998                    | <u>152,105</u>                         |

**3 Share Capital**

|  | <b>1999<br/>£</b> | <b>1998<br/>£</b> |
|--|-------------------|-------------------|
| <b>Authorised</b>                          |                   |                   |
| 200 Ordinary shares of £1 each (1998: 200) | 200               | 200               |
|  | <u>200</u>        | <u>200</u>        |
| <b>Allotted and fully paid</b>             |                   |                   |
| 200 Ordinary shares of £1 each (1998: 200) | 200               | 200               |
|  | <u>200</u>        | <u>200</u>        |



**DOVERS FARM ESTATES LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 5 APRIL 1999**

---

**4 Transactions With Directors**

Included in other debtors are loans to the directors as follows:

|                 | <b>Amounts outstanding</b> |             |
|-----------------|----------------------------|-------------|
|                 | <b>1999</b>                | <b>1998</b> |
|                 | <b>£</b>                   | <b>£</b>    |
| J M Lewin Smith | -                          | 1,168       |
|                 | -                          | 1,168       |

Maximum liabilities in the year amounted to:

|                 | <b>£</b> |
|-----------------|----------|
| J M Lewin Smith | 1,168    |
|                 | 1,168    |

**5 Ultimate Parent Undertaking**

The ultimate parent undertaking is Lewin Smith & Company Limited which is incorporated in England and Wales