

## **Get involved**

**As a local charity we rely on generous people, organisations and communities to be able to continue to offer support to those most at risk of isolation.**

This year saw 75 businesses support us through staff fundraising, sponsorship or corporate donations. 2,230 individuals supported us by taking part in Fundraising events, or gave a regular or one-off gift. 30 community groups showed their support and 61 grant giving bodies supported a range of projects of all sizes. We were also notified that 12 generous supporters left us a gift in their will.

We are hugely grateful for their commitment to Henshaws; every donation truly does make a difference.

We have plenty of challenge events taking place throughout the year. Head to our website to see our full list and discover how you could challenge yourself for Henshaws.

website [henshaws.org.uk](https://www.henshaws.org.uk)

email [fundraising@henshaws.org.uk](mailto:fundraising@henshaws.org.uk)

or call the team on **0300 222 5555**



**henshaws**

*beyond expectations*

**our  
journey**

Annual Review,  
Trustee Report &  
Accounts 2020-21

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





## .contents

- 04** about henshaws
- 06** our values
- 07** message from the chair and the chief executive
- 08** knowledge village & digital
- 10** specialist college
- 12** community services
- 14** arts & craft centre
- 15** housing & support
- 16** supporters
- 18** funded projects
- 19** staff and volunteers
- 20** financials
- 29** independent auditor's report
- 32** statement of financial activities
- 33** balance sheet
- 34** statement of cash flows
- 35** notes to the financial statements





## •about henshaws

### Who we are

Henshaws has over 180 years of helping people living with sight loss and a range of other disabilities.

### Our aims

Helping to reduce social isolation and increase independence through empowering disabled people to go beyond expectations and achieve their ambitions.

### 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.

### How we support

Our dedicated staff and volunteers are the fuel of the organisation; they provide support, advice and training, enabling people and their families to build skills, develop confidence, help each other and look forward to a more positive future.

### Where we support

We work throughout the North of England and support people in our Specialist College, Residential and Supported Housing, Community Centres and Arts & Crafts Centre. We also support disabled people in their local community. We are continually developing technology to support more people, wherever they are, through delivery of online assistance. Our Knowledge Village provides valuable information for professionals working in social care, people with sight loss, their carers and families.



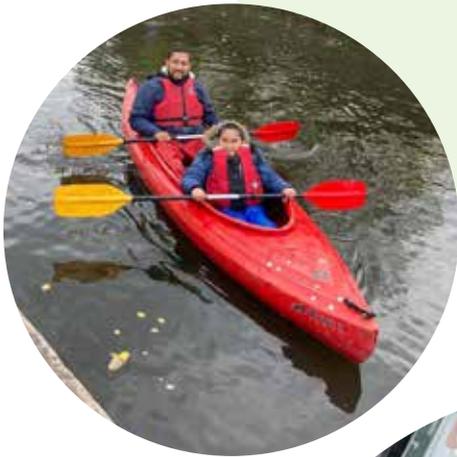


 **Newcastle** ●  
Housing

 **Knaresborough** ●  
Arts & Craft Centre

● **Harrogate**   
Specialist College

 **Manchester**  
Sight Loss





## •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



## • message from the chair and the chief executive

For Henshaws and everyone, 2020 - 21 has been a year of unexpected challenges due to the continuing fluctuations of the COVID-19 pandemic. We recognise the difficult settings our service users, their friends, family, support workers, our staff and volunteers were placed in and how tremendously they managed. The Henshaws team feel immensely proud of the successes and the opportunities to learn that were achieved during this period.

The digital access to Henshaws Knowledge Village continued to be a valuable resource for our Visually Impaired community. Views of our library of videos on topics such as “How to put in eye drops for Glaucoma,” increased by 78% from prior year. We also launched our first online learning platform for the “I Can Do It” course for children and young people supported by Thomas Pocklington Trust to positive reviews.

Our Community Services team supported nearly 3,000 people with 89% of service users reporting their emotional wellbeing, independence and confidence improved after accessing our services. The pioneering First Step CVI (Certificate of Vision Impairment) Service, which is a partnership between the NHS and Henshaws, is a pilot in Manchester to ensure that everybody who receives a CVI has access to support.

Henshaws College continued to be open throughout the whole of the COVID-19 pandemic maintaining an average of 60% of students in attendance being supported by Henshaws specialist staff. We delivered online teaching to those who could not attend and 95% of Speech & Language Therapy students fully achieved their targets. Our new recruitment drive saw 110 prospective students and their families get a feel for the college when they could only visit through our “Virtual Tours” platform.

We reflected on our strategic priorities for the future and transferred our Supported Living care services to North Yorkshire County Council, safeguarding service users and protecting staff jobs. We also later sold our Residential Housing service to an experienced provider, transferring staff and residents together.

COVID-19 meant we had to temporarily close our Arts and Crafts Centre however as guidance evolved, we were able to welcome back many of our Arts & Crafts Centre art makers, albeit at a socially distanced capacity alongside delivering new digital courses. The centre continues to develop and manage its capacity in a safe and efficient manner with new workshop sessions being introduced in 2021.

Although our fundraising continued to be affected by cancellation of events, our virtual challenges, such as Henshaws Hundreds, still attracted 2,045 people, from Scotland to Cornwall, who signed up to various activities to fundraise for Henshaws. We continued to have major donor support for specific projects such as The Zochonis Charitable Trust contributing to Greater Manchester sight loss services and Cargill sponsoring technology for service users and equipment for the Arts & Crafts Centre.

Our many successes are due to the dedication, commitment, experience and sheer hard work of our staff. We believe our workforce should reflect the people we support and the values we uphold. 12.3% of our staff members have a disability and as an employer we endeavour to go beyond the scope of the Equality Act whenever possible.

But it is the feedback we get from the people we support that speaks most clearly. “For the first time I feel totally understood. No one really gets sight loss. It affects everything. It’s so hard planning and explaining everything, all the time. I can’t tell you how much it means that you totally get that.”

2020 - 21 has been difficult, but Henshaws has continued to transform its service delivery to reach as many people as possible with high quality support, information, and guidance. We anticipate a challenging year in 2021-22 but, with the dedication of our amazing team, Henshaws will continue to go beyond expectations.



**Sally Bence**  
Chair



**Nick Marr**  
Chief Executive



# •knowledge village & digital

Knowledge Village is the combined knowledge of or teams across Henshaws on a range of subjects providing valuable information for professionals working in social care, people with sight loss, and their carers and families. Much of this knowledge can be accessed via our online platform.

This online platform for Knowledge Village became an even more valuable resource during the COVID-19 lockdowns and it was very apparent how valuable our community found the information we provided.

### Our most popular videos were:

- NHS COVID-19 app (24,993 views in this period)
- How to put in eye drops for Glaucoma (17,295 views)

### Our most popular blogs were:

- Track and Trace an example of how it works 10/09/2020 (2,652 views)
- Using the NHS COVID-19 app if you have a VI 25/10/2020 (1,129 views)



“Knowledge Village allows us to share content rather than have to create it ourselves, so that’s 40 people each month around the country benefiting indirectly, who may not have, had the material not been such high quality and shared so generously.” Sight Advice Charity



## What we achieved



# 496,743

engagements made  
(30% increase)



# 182,577

video views  
(78% increase)



# 17%

non-UK website  
visits (up from 16%)



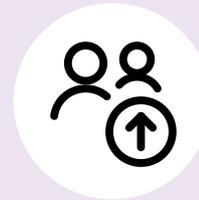
# 5,962

hours of video  
viewing  
(88% increase)



# 3,118

Data Captures  
(8% increase)



# 9.1 m

digital reach  
(73% increase)

## knowledge village & digital

Henshaws Knowledge Village has a free online resource on our website [www.henshaws.org.uk](http://www.henshaws.org.uk) where we share our extensive knowledge and expertise with those experiencing or working with sight loss and other disabilities. People with sight loss, their friends and families and the professionals working with them can explore our information library of blogs, eBooks, videos and downloads to learn about everything from assistive technology to useful Life Hacks, Daily Living Tips and specific information for children and their families. The Knowledge Village enables us to deliver valuable information to a diverse and remote population in a cost effective manner whilst still having the wealth of one to one support and expertise available through our First Step contact centre and the activities delivered in our local hubs.

To visit our Knowledge Village go to [www.henshaws.org.uk/knowledge-village](http://www.henshaws.org.uk/knowledge-village)



**“Thank you so much. I began using eye drops earlier this year and I did not receive any training. I asked questions, and all I received was a quizzical look. You answered the questions, again thank you!”** YouTube comment

## Knowledge Village Developments

In December 2020 we launched our online learning platform with the virtual “I Can Do It” course for Children & Young People supported by Thomas Pocklington Trust. This has been met positively from other charities and also the children taking it.

Since then we have launched a mini VIAT course which is a key part of our National Lottery bid proposal.

We also launched the digital College Knowledge Village in August 2021.



i've completed my





## •specialist college

Our Specialist College in Harrogate focuses on delivering high quality personalised educational experiences for school leavers aged 16-25 years old. We also offer our Next Steps programme which supports students beyond the age of 25 or who no longer have an Education, Health & Care Plan (EHCP).

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.

Henshaws Specialist College stayed fully open for all students throughout the COVID-19 pandemic lockdowns and also offered online teaching and remote learning packages for all students. We also made regular COVID-19 safe wellbeing/welfare calls to students and their families who were isolating at home.

Our achievements and student impact in 2020-2021 was:

- **33** English and Maths Qualifications were gained by our students.
- **22 Award Scheme Development & Accreditation Network** units were assessed and passed.
- **Virtual tour** launched in July 2020 – allowing **110** prospective students and their families to get a feel for the college when they couldn't visit.
- **95%** of Speech & Language Therapy students fully achieved 1 or more targets in 2020-2021.
- **Over 10,000** hours of student facing therapeutic intervention delivered by specialist staff.
- **11** students completed the Certificate of Achievement towards their Duke of Edinburgh Bronze Award
- **Sepsis and restore 2 training** and competency assessment delivered to **112** staff members, and implementation of the process throughout college.
- **Hundreds of competencies practiced** with support from the Health Care team to ensure students clinical needs met. Gastrostomy feeds, medications, flushes and venting, suction, nebuliser, cough assist, non-invasive ventilation, stoma care.
- **We actively promoted / delivered specialist in-house skills** sharing sessions across College on topics including Communication, Makaton, Picture Exchange Communication System, Wheelchair Training, Sighted Guide Training and Travel Training.

### henshaws specialist college

Our Specialist College in Harrogate is a transformational place. Through our personalised approach to education, learning and care we empower young people aged 16-25 living with a disability to progress and live life the way they want.

Every one of our students follows an individual study programme designed around their needs. Whether it is preparing for employment, making friends or learning to live more independently, we enable our students to make their aspirations possible and goals a reality.



## what we achieved



**10,000**

hours therapeutic intervention delivered



**110**

prospective students and their families viewed our virtual tour



**112**

staff passed Sepsis and restore 2 training, plus implementation of the process throughout college.



**33**

Maths and English qualifications were gained by our students



**22**

Award Scheme Development & Accreditation Network units were assessed and passed.



**11**

students completed the Certificate of Achievement towards their Duke of Edinburgh Bronze Award



### Annabel's Story

Our Henshaws journey began 7 years ago when our son William became a student. A person centered curriculum was adopted which enabled him to reach his full potential and as a result, made us confident that this would also be the ideal placement for our daughter, Annabel.



Whilst Annabel's needs are very different to William's, Henshaws College have once again excelled themselves by applying an educational plan that maximises her skills and promotes her confidence.

Each department that Annabel accesses, whether it be physiotherapy; speech and language; horticulture; cookery or yoga has a curriculum which is perfectly adapted to suit her needs and thereby ensuring that her full potential is developed.

Annabel especially enjoys her time in the pool where she carries out her hydrotherapy classes. This facility is a great asset to the college as is the sports hall; well equipped gymnasium and fully adapted kitchens.

During her time at Henshaws, Annabel has also spent time within their residential units which allowed us some respite.

Once again, the staff have been nothing short of amazing in their approach and the way in which they adopt the curriculum throughout the evenings incorporating activities that encourage independence.

Both William and Annabel have complex health needs and I have always had the utmost confidence in the staff team that all needs are fully understood and met at all times.

**written by Karen, Annabel's mum**



## community services

Henshaws Community Services operates across Greater Manchester and Merseyside (for children's and young people's services) responding to the specific needs of the communities in which we work and partnering with key organisations across the locations to achieve better outcomes for people with sight loss. Our Information, Advice and Guidance (IAG) service provides valuable, sometimes life changing, impact for our service users.

### During 2020 / 2021 there were:

- 2,787 unique people supported
- 644 new service users
- 560 personal plans, 108% increase compared to the year before
- 46% increase in IAG interventions compared to the year before (9,257 IAG interventions to 2,112 people in 2020/21)
- 16% increase in digital interventions compared to the year before

### After accessing our services:

- 89% of service users felt their emotional wellbeing improved
- 65% of service users felt their physical wellbeing improved
- 89% of service users felt more independent and confident
- 81% of service users felt satisfied with their life as a whole, compared to 16% before
- 79% of service users felt positive about their future living with sight loss, compared to 14% before

### Community services are working on some innovative new projects:

The First Step CVI (Certificate of Vision Impairment) Service started to be set up in March 2021 to ensure that everybody who receives a CVI has access to support at that time. The team will provide information, advice and guidance to patients and make sure they are referred on to organisations which can help to support them.

The service is a partnership between the NHS and Henshaws. This project is being managed in partnership with the Greater Manchester Combined Authority, Manchester Royal Eye Hospital, RNIB and Thomas Pocklington Trust.

### Service user survey about experiences with sight loss



**29%**

do not access the internet or digital technology at all



**2 in 5**

reported that their independence has been affected by the pandemic



**1 in 3**

reported that the pandemic has had an impact on their mental health



### The top areas in which respondents wanted to feel more independent/confident were:



**travel**

getting out and about (60%)



**transport**

using public transport (40%)



**tech**

using digital tech including apps (34%)



**loneliness**

combating loneliness and isolation (25%)



**info**

access to information (23%)

## community services

Henshaws Community Services supports visually impaired people to make informed choices about their future and take the next step in life; whether that's towards employment, accessing new technology, or meeting new people in our social groups. We are here throughout people's sight loss journey offering expert support, guidance and skills helping people to fulfil their potential.

Our hubs in the North of England offer a range of services to provide visually impaired people an improved quality of life.

### Children & Young People

Our Children's and young people team ran 872 activities and introduced 56 new children and young people to our services in 2020-21. We had a great transition from face to face activities to virtual and vice versa when it was called for.

Our I Can Do It online course was launched and marketed to other VI charities and continues to be popular both residentially and online.



### Digital Enablement Service

- Supported 1,063 Unique People (2019/20 = 863)
- Carried out 224 digital assessments
- Delivered 132 digital training sessions to 101 people
- 1,014 Digital Information, Advice and Guidance interventions

### A three year high on Digital Interventions:

- 2018/19 = 933
- 2019/20 = 1,188
- 2020/21 = 1,370

### Counselling

In 2020-21 we delivered 451 counselling sessions and 309 emotional support sessions . This feedback speaks for itself.

“It’s so kind of you to understand the way you do. No one seems to get how scary it all is and how much it effects everything. Thanks so much.”

“This has been the most awful time ever that I can remember and I have been so grateful for the counselling sessions every week.”

“For the first time I feel totally understood. No one really gets sight loss. It affects everything, and I mean everything. From the moment I open my eyes every day to when I close them, it affects everything. It’s so hard planning and explaining everything , all the time. I can’t tell you how much it means that you totally get that.”





## arts & crafts centre

Henshaws Arts & Crafts Centre is a multi-activity centre based in Knaresbough. The Centre provides a range of services and activities for disabled people of all ages across the North Yorkshire area and beyond. The services cover skills based activities including; arts, horticulture, handicrafts, therapy and wellbeing, technical including woodwork, metalwork, music, health and fitness, IT skills and volunteering opportunities including in the public café.

Along with many other charities our Arts & Crafts Centre in Knaresborough was and has been impacted greatly by the pandemic. After an essential closure in March 2020 it re-opened in November 2020 with a reduced socially distanced capacity.

Our team continued to support people across Yorkshire in every way we could, including offering a wide range of online workshops and staying in touch with our art makers.

We are pleased at how many art makers have returned to Henshaws and we are looking forward to a thriving future.



### henshaws arts & crafts

Henshaws Arts & Crafts is a community hub where creativity, friendships and opportunities come to life. Through our workshops, people living with a range of disabilities discover their talents, put them into practice and realise their full potential. Our workshops include employability training, health & wellbeing, arts & crafts and multi-sensory. The Centre is open to the public, with a fully licensed café, accessible facilities and green spaces. We hold regular events such as exhibitions, live music and craft fairs.



### Abbey's story

**By shop workshop leader, Elizabeth Medley**



Abbey has been a member of the Henshaws Arts & Craft Centre for about six years. During this time Abbey has explored numerous artistic talents including: drawing, painting, pottery, lino printing, paper sculpture and dance. Abbey has an extremely unique and recognisable style, her work has always been sought after, she has a loyal collectors of her work and has created many commissions, often her work sell before she even finishes a piece! Abbey is mainly non-verbal by choice, choosing to express herself in other ways for the majority of the time. However over the past year we have seen Abbey start to communicate more verbally than ever before. Josie, Abbey's 1-1 support says 'When I first started supporting Abbey she chose to communicate verbally on a rare occasion only saying one word answers. Abbey was relatively shy and reserved, however she has really allowed her playful, cheeky personality to blossom. Abbey now speaks in full sentences and communicates verbally without prompting. It's beautiful to see how she must feel safe and with enough here to express herself fully.' Abbey has developed her social skills within the last year, adapting to having new 1-1 support from different members of our team, Liz has supported Abbey part time for a couple of months saying 'I am amazed by her artwork every day, it's a delight to watch her work'.



## •housing & support

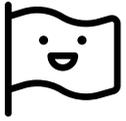
As discussed in the financial review on page 23, we made some difficult decisions regarding our Housing and Support services in the 2019-20 financial year and saw these implemented in the current year. These decisions were made with a heavy heart, particularly as the Charity had provided Housing and Support services for around 30 years.

In October 2020 we completed the transfer of our Supported Living care services to North Yorkshire County Council which protected all service user and staff interests. We continue to own the houses these services operate from.

In December 2020 the negotiations we completed the transfer of Residential Housing service concluded and completion took place. We worked hard with the purchaser and all stakeholders to achieve a near seamless transition with all service user and staff interests being protected.

The decisions regarding our Housing and Support services were made in the best long-term interests of the Charity, our service users and staff. We are proud that we have been able to achieve outcomes in this area that benefit all stakeholders and are in line with our values.





## .supporters

Our supporters never cease to amaze us with the lengths they will go to support people with sight loss and other disabilities. Much of 2020-21 was spent in lockdown with restrictions on daily life and events; it meant our supporters needed to be more innovative than ever before. This includes the 2,045 people, from Scotland to Cornwall, who signed up to Henshaws virtual challenge events, and cheered each other on through Henshaws Facebook groups, and it includes Sean Mayall, who ran the 26.2 mile London Marathon in his back garden. Despite the Coronavirus restrictions, our supporters continued to go beyond expectations, and so did their pets.

### ways funds were raised



#### getting active

4,400 miles walked or cycled during Henshaws Hundreds in June



#### hiking 3 peaks

38 supporters hiked a combined 965.2 miles on one hot day in July



#### virtual challenges

2,045 signed up on facebook for our virtual challenges



#### dog walks

30 dogs took part in our events



## Fundraising Complaints

Henshaws fundraising team are a dedicated team of professionals committed to providing a high quality service to our donors and supporters and to raising funds to help blind, visually impaired and disabled people to live healthier, happier and more independent lives.

If our fundraising falls below the standard you expect, or you wish to make a formal complaint about our fundraising, you can do so by contacting any member of staff by e-mailing [fundraising@henshaws.org.uk](mailto:fundraising@henshaws.org.uk) or by writing to us.

We will acknowledge and make an initial response to any complaints we receive within five working days, and a full response within 30 days if your complaint requires further investigation. If you are not satisfied with the response you receive, we ask that you contact our Director of Fundraising, Stephen Tongue, in writing at the address on page 55.

If your complaint is about fundraising activities and we are unable to resolve it to your satisfaction, you can raise it with the Fundraising Regulator by visiting their website, by telephoning 0300 999 3407, or by writing to Fundraising Regulator, Eagle House, 167 City Road, London, EC1V 1AW or e-mailing [complaints@fundraisingregulator.org.uk](mailto:complaints@fundraisingregulator.org.uk)



## Vulnerable Supporters

Henshaws fundraising team are sensitive to signs that may indicate an individual is in vulnerable circumstances, and may need support to make an informed decision about donating. If we reasonably believe an individual lacks the capacity to make that decision alone, then that donation will not be taken, or will be returned.

Safeguarding training is a mandatory requirement for the team and Henshaws is registered with the Fundraising Regulator and we abide by the code of fundraising practice.

We didn't receive any complaints about our fundraising in 2020-21 and we did not employ any third party organisations to act on our behalf.





## •funded projects

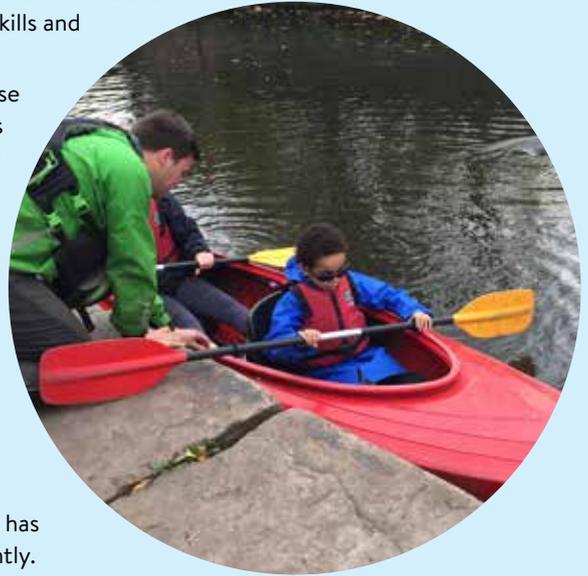
### The Zochonis Charitable Trust

Sight loss is indiscriminate and can affect anyone at any time. It doesn't stop because there's a pandemic, and many of the emergency measures introduced to combat Coronavirus relied on visual cues such as signage and social distancing, making life even harder for the community we serve. It meant we had to re-engineer our services and develop new ways to give people the skills and confidence to remain independent and connected.

Henshaws developed the community confidence strategy in response to the unique challenges our service users were experiencing. It was crucial for our services to meet the needs and concerns highlighted in our survey at the start of the pandemic and it was crucial to have the funding in place to deliver those services.

The donations we received from The Zochonis Charitable Trust in 2020-21 had a profound impact on our ability to deliver services across Greater Manchester. With their support we were able to make outbound calls to service users, assess their needs and put bespoke personal plans in place. Plans were tailored to individual needs and could include training to use technology, specialist counselling, support for children and young people, and services such as our on-line Knowledge Village.

We are so grateful to The Zochonis Charitable Trust as their support has helped hundreds of people to live more independently and confidently.



### Cargill

Cargill are a global company who bring food, agricultural, financial and industrial products to people who need them all around the world. Like Henshaws they have bases in Greater Manchester and Yorkshire and their teams have supported our work in those locations, in particular our work with visually impaired people, and at our Arts and Crafts Centre.

Cargill have sponsored several Henshaws events and their teams are always the first to sign-up to fundraising challenges. In 2020-21 their donations, helped visually impaired people access technology; a lifeline to all of us during the pandemic, and the new potters wheels they funded at Henshaws Arts and Crafts Centre have transformed the way our art makers handle clay. The experience of throwing and decorating pots has been great fun for our art makers, and their products have also proved very popular in our Arts and Crafts Centre shop. We'd like to thank all the team at Cargill for their enthusiasm and their continued support.





## •staff and volunteers

### General HR

Henshaws many successes are due to the dedication, commitment and extensive experience of our staff. As a Mindful and Disability Confident Employer we are committed to supporting the wellbeing of all of our team members and supporting them to 'go beyond expectations' on a daily basis.

### Gender Pay Gap report

We are proud to confirm that in the year 2020-2021 Henshaws had a 0% pay gap. This means that for every £1 a male employee earns, a female employee also earns £1. This is due to our inclusive, fair and quantifiable job evaluation process and our commitment to supporting staff to maintain a good work life balance. Henshaws offers a range of flexible working patterns to all staff, including term time only working and compressed hours.

Henshaws acknowledges that staff have responsibilities and commitments outside of work. We are committed to providing a flexible work environment to promote a work life balance where possible, to enable staff to live a full and satisfying life. We also offer a range of family friendly initiatives to support those with caring responsibilities including four paid days off per year for unforeseen emergency issues.



### Staffing metrics

In the year 2020-2021 our breakdown of staff was as follows:

- Average Headcount – 381
- Average FTE – 292
- Average age of staff member – 41.3
- Percentage of staff that are female – 71.3%
- Average working hours per week – 32.1.

We are delighted to confirm that 23.1% of Henshaws staff have worked for the charity for 10 years or more.

We believe our workforce should represent the people we support and the values we uphold. 12.3% of our staff members have a disability and as an employer we endeavour to go beyond the scope of the equality act when possible.

### CEO Pay gap report

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020-2021	Option A	4.56:1	5.03:1	5.40:1

In order to present the most accurate data Option A has been used.

The pay calculation is based upon standard pay plus pension contributions. Henshaws has a relatively small number of staff who are eligible for the teachers pension which increases their financial award.

The pay gap remains consistent due to a rigorous and quantifiable job evaluation process across the charity. We are committed to ensuring a fair and equitable pay structure for all of our valuable team members. In 2021-2022 we will continue to develop a dynamic remuneration process that recognises the importance of staff reward as key to the strategic process.

# .financials

2020-21





## • 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.

2020-2021 was a year in which we rationalised service delivery in our housing divisions, whilst dealing with the impact of the pandemic throughout the organisation. The rationalisation has resulted in a charity that has the financial capability to cope with the continuing impact of the pandemic.

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.

In late February and early March 2020 the impacts of the global COVID-19 pandemic became apparent. Our trustee board and senior management developed plans to protect service users and staff and to ensure the safe delivery of all our services. These plans have not only allowed us to cope with the pandemic, but allowed us to continue to develop and improve our service delivery in our continuing activities.

The financial consequences of the pandemic could have been catastrophic, had it not been for the excellent work of all our staff and the continued support of our funders; both local authority and generous donors. At the date of this report, the charity had been able to manage its cash flow without seeking further borrowings.

The COVID outlook remains uncertain, but the Trustee Board remain hopeful about the future of the charity and its finances.



## • 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 55.

### **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 Chair, 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, Investment & Finance Committee, Risk & Audit Committee, Governance Committee, People & Reward Committee and the Education & 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 55. 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 Charity continues to provide high quality, essential services to a range of people with visual impairment and other needs. These services are vital and the majority of the fees are paid by local authorities. Whilst there are advantages in terms of continuity of income, there are some difficulties given the pressure on local authority finances.

2020-21 was a year of significant change and progress for the charity and saw the implementation of some of the difficult decisions taken in the previous year regarding our Housing & Support services.

Following our decision in February 2020 to stop providing Supported Living services at fee levels below the costs incurred, the successful transfer of the service to North Yorkshire County Council was completed in early October 2020. As we continue to own the houses these services operate from, the transfer protected all service user and staff interests.

During the previous year we took the decision that it was not financially sustainable to continue incurring a deficit on our Residential Housing service. The negotiations for the sale of the service continued and completion took place in December 2020. We worked hard with the purchaser and all stakeholders to ensure a near seamless transition with all service user and staff interests being protected.

Whilst these changes have resulted in Housing & Support income falling from £3.6 million to £1.1 million, costs have fallen from £3.9 million to £0.9 million, representing a significant improvement in the Charity's financial performance. The disposal of the Residential Housing service also removed the future financial commitment of adapting the houses to accommodate changing service user needs which would not have been reflected in increased fees.

College income rose by £0.5 million to £7.7 million largely as a result of the increasing complexity of the needs of our students and the increased breadth of courses offered. Costs of operating the college rose to £7.7 million, compared to £6.7 million in the previous year, reflecting the investment in staff and other resources required to provide the quality of education and care our students need and deserve. Pressure on staff rates of pay remains high, particularly in light of the publicity surrounding pay for care staff during the pandemic.

Income at our Arts & Crafts Centre in the year was £0.4 million, a decrease of £0.3 million from the previous year. The centre was temporarily closed at the end of March 2020 as a result of COVID-19 guidance from central government and reopened during November of that year. The return of Art Makers has been much slower than anticipated and reflects the fear of the virus that many vulnerable people feel. Art Maker numbers have gradually increased in the later months of the financial year and demand for this excellent service is encouraging. A new fee structure for attendance has been implemented and this will help ensure the financial viability of the centre.

In addition we have held encouraging discussions with local authorities about the further development of the services we offer at the centre. We believe that a range of flexible, person centred services can be developed in a way that meets the increasing financial pressures that local authorities are under.

Despite the challenges of operating in a pandemic our Community Services activity continued to deliver and develop its excellent and innovative services. Income increased and expenditure reduced year on year in this difficult year. As in previous years we remain extremely proud of the life improving work we do in this area.

The pandemic continued to limit fund raising events and activities, but our team identified new sources of funding and increased income by £0.2 million, whilst incurring costs that were £0.1 million lower. This improved performance could not have been achieved without the hard work of our teams and the continued generosity of our donors. The team will continue to work hard to generate the funds our activities deserve.



## • financial review

### (ii) Investment performance

The investment portfolios are managed by two investment management companies to maximise financial performance. Performance of these managers is monitored by the Business, Investment & Finance Committee throughout the year.

At 31 August 2021 our investment portfolio stood at £3.5 million (2020: £3.1 million) of which £0.3 million (2020: £0.3 million) were restricted funds. Investment income for the year was £0.1 million and there was a net increase of £0.4 million (2020: reduction of £0.05 million) in portfolio value.

### Balance sheet

Total funds as at 31 August 2021 were £7.3 million (2020: £6.4 million). A reduction in the SHPS defined benefits pension reserve of £0.7 million (2020: £0.9 million) contributed to this improvement.

Net debt, defined as cash less bank overdraft and bank and other loans, amounted to £0.4 million (2020: £2.8 million). Bank and other loans totalled £1.8 million (2020: £3.0 million) of which £0.8 million (2020: £2.0 million) was secured on fixed assets and £1.0 million (2020: £1.0 million) was secured against investment funds. The small net cash inflow in the year reflects the progress the charity has made in improving its financial management and cost control practices.

### (iii) Financial outlook

The trustees recognise the significant work carried out by management in delivering a very satisfactory financial performance in a difficult year. The excellent work carried out will continue, as will the development of the methods of delivery for our services. We aim to continue working collaboratively with our stakeholders for the benefit of our service users and to secure our financial viability.

Demand for our services remains strong and we aim to provide these cost effectively whilst maintaining quality and being paid appropriately.



# • 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 Risk & Audit Committee and a bottom up review by individual functions.
- The Risk & 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.
- COVID-19 risk. The Charity has implemented measures to mitigate the risk posed to service users, staff and the Charity's finances. These measures have been developed from advice regarding best practice from Government and other agencies.

## 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.



## • financial review

### 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, Investment & Finance 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 90% 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 £1.0 million (2020: £1.0m) 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 31 August 2021 under the Charity Commission's guidance, the free reserves are calculated at £0.8 million (2020: £nil).

This position is a significant improvement over previous years and reflects the hard work the charity has put in to managing its finances.

### Remuneration policy

The People and Reward Committee oversee the remuneration and benefits structure for staff, including key management personnel, 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, supports HR processes and considers any major proposed changes to HR policies.

### Staff liaison

The Henshaws Employee Forum (HEF) is used to discuss employment matters, working practices and strategic issues of employment with staff and to share business information. Recommendations from the HEF are considered by the Charity's Senior Management Team and are implemented when appropriate and beneficial.

### Going concern

The Trustee Board has reviewed the Charity's financial position taking into account the levels of reserves, amounts receivable, the annual and financial plans, together with its systems of financial risk management. In addition the Board has considered the impact of COVID-19, the net current assets of £0.1mil (2020: liabilities of £2.6million) in considering the appropriateness of the basis.

The Board believes that the cash balances along with the borrowing facilities are adequate to meet its ongoing financial needs and that the Charity is able to manage operational and financial risk satisfactorily. Accordingly, they have reasonable expectation that sufficient resources are available to continue in operational existence and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 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

**Sally Bence** Chair - 27 June 2022



## • 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 is 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 2019) 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.

The Board of Directors is responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ legislation in other jurisdictions.

Approved by the Trustee Board of Directors and signed on its behalf by

**Sally Bence - Chair**

27 June 2022



# 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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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 trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.



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

## Responsibilities of the trustee

As explained more fully in the Statement of responsibilities of the trustee set out on page 28, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

## The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with the trustee and other management, and from our knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.



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

## The extent to which the audit was considered capable of detecting irregularities including fraud continued

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on income and salaries to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

## Beever and Struthers

Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

30 June 2022



# statement of financial activities for the year ended 31 August 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
<b>Income from:</b>					
<b>Charitable activities:</b>					
Education & training services		8,084	-	8,084	7,878
Housing & support services		1,103	-	1,103	3,644
Community services		142	315	457	309
		9,329	315	9,644	11,831
<b>Donations and legacies</b>		774	119	893	726
<b>Other trading activities</b>		107	-	107	151
<b>Investments</b>		69	10	79	97
<b>Other</b>		3	-	3	19
<b>Total income</b>	2	10,282	444	10,726	12,824
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Education & training services		8,325	165	8,490	7,674
Housing & support services		860	2	862	3,856
Community services		499	320	819	850
		9,684	487	10,171	12,380
<b>Raising funds</b>		361	-	361	438
<b>Other</b>		48	-	48	78
<b>Total expenditure</b>	3	10,093	487	10,580	12,896
<b>Net income/(expenditure) before gains on investments</b>		189	(43)	146	(72)
<b>Net gains/(losses) on investments</b>		354	56	410	(34)
<b>Transfers between funds</b>		(25)	25	-	-
<b>Gains/(losses) on revaluation of fixed assets</b>		(8)	34	26	591
<b>Actuarial gains in respect of pension schemes</b>		393	-	393	465
<b>Net income - movement in funds</b>		903	72	975	950
<b>Reconciliation of funds</b>					
Total funds brought forward		5,498	873	6,371	5,421
<b>Total funds carried forward</b>		6,401	945	7,346	6,371

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

The notes on pages 35 to 55 form an integral part of the financial statements.

All income and expenditure relates to continuing operations.

The Housing & support services figures above include income of £838k (2020: £2,451k) and expenditure of £712k (2020: £3,367k) related to our residential housing service which was sold in December 2020.



# balance sheet at 31 August 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
<b>Fixed assets</b>					
Tangible fixed assets	6	5,613	460	6,073	9,084
Investments	7	3,192	270	3,462	3,067
<b>Total fixed assets</b>		<b>8,805</b>	<b>730</b>	<b>9,535</b>	<b>12,151</b>
<b>Current assets</b>					
Debtors	8	939	-	939	607
Cash at bank and in hand		1,172	215	1,387	242
		2,111	215	2,326	849
<b>Liabilities</b>					
Creditors: Amounts due within one year	9	(2,199)	-	(2,199)	(3,496)
<b>Net current assets/(liabilities)</b>		<b>(88)</b>	<b>215</b>	<b>127</b>	<b>(2,647)</b>
<b>Total assets less current liabilities</b>		<b>8,717</b>	<b>945</b>	<b>9,662</b>	<b>9,504</b>
Creditors: amounts falling due after more than one year	10	(749)	-	(749)	(836)
<b>Net assets excluding pension liability</b>		<b>7,968</b>	<b>945</b>	<b>8,913</b>	<b>8,668</b>
Defined benefit scheme liability	17.1b	(1,567)	-	(1,567)	(2,297)
<b>Total net assets</b>		<b>6,401</b>	<b>945</b>	<b>7,346</b>	<b>6,371</b>
<b>Funded by:</b>					
Unrestricted funds		5,992	-	5,992	3,870
Revaluation reserve		1,976	-	1,976	3,925
Pension reserve		(1,567)	-	(1,567)	(2,297)
<b>Total unrestricted funds</b>	13a	<b>6,401</b>	<b>-</b>	<b>6,401</b>	<b>5,498</b>
Restricted funds		-	485	485	448
Revaluation reserve		-	460	460	425
<b>Total restricted funds</b>	13b	<b>-</b>	<b>945</b>	<b>945</b>	<b>873</b>
<b>Total funds</b>	13a	<b>6,401</b>	<b>945</b>	<b>7,346</b>	<b>6,371</b>

The financial statements on pages 32 to 55 were approved by the Board, and authorised for issue, on 27 June 2022 and were signed on its behalf by:

Sally Bence - Chair

Nikki Bishop - Director

The notes on pages 35 to 55 form an integral part of the financial statements.



# statement of cash flows for the year ending 31 August 2021

	Note	Total funds 2021 £'000	Total funds 2020 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in) operating activities	A	(177)	(10)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents received from investments		79	97
Interest paid		(32)	(76)
Purchase of tangible fixed assets		(130)	(328)
Purchase of long term investments		(280)	(115)
Sale of long term investments		268	378
Sale of tangible fixed assets		2,599	-
<b>Net cash provided by / (used in) investing activities</b>		<b>2,504</b>	<b>(44)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowing		(86)	(54)
<b>Net cash (used in) financing activities</b>		<b>(86)</b>	<b>(54)</b>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents brought forward		(1,854)	(1,746)
<b>Cash and cash equivalents carried forward</b>	B	<b>387</b>	<b>(1,854)</b>
<b>Reconciliation of net movement in funds to net cash flows from operating activities</b>			
Net movement in funds		975	950
(Gains) on investments		(383)	(3)
(Gains) on property revaluations		(26)	(593)
Actuarial (gains) in respect of pension schemes		(393)	(465)
Defined benefit pension costs less contributions payable		(373)	(439)
Depreciation		546	579
Loss on disposal of tangible fixed assets		22	9
Dividends, interest and rents receivable from investments		(79)	(97)
Interest payable		68	128
Decrease in stock		-	5
(Increase)/Decrease in debtors		(332)	419
(Decrease) in creditors		(202)	(503)
	A	(177)	(10)
<b>Analysis of cash equivalents</b>			
Cash at bank and in hand		1,387	242
Bank overdraft & facilities		(1,000)	(2,096)
	B	387	(1,854)

The notes on pages 35 to 55 form an integral part of the financial statements.



# notes to the financial statements for the year ended 31 August 2021

## 1 Accounting policies

The principal policies of the Charity as a public benefit entity 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 2019) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also meet the requirements of the Charities Act 2011 and UK Generally Accepted Accounting Practice.

### b) Going Concern

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.

The Trustee Board has considered the impact of COVID-19 and the unrestricted net current liabilities of £0.09m in considering the appropriateness of the basis. The Board anticipates a challenging year ahead but believes that the borrowing facilities are adequate to meet its ongoing financial needs and that the going concern basis of accounting is appropriate in preparing the annual financial statements.

### c) Tangible Fixed assets and depreciation

i) All expenditure above £1,000 for the acquisition, enhancement, production and installation of fixed assets and all fixed assets received by way of donations are capitalised.

ii) Tangible fixed assets, other than residential properties, are stated in the balance sheet at cost less depreciation and impairment, or at estimated value at the date of donation less depreciation in respect of donated assets.

iii) Residential properties are recorded in the balance sheet at open market values, with their values being reviewed on an annual basis. Any changes in the values of the properties are reflected in the Statement of Financial Activities in the year they arise.

iv) Depreciation is calculated to write off the cost or valuation of tangible assets over their estimated useful lives on a straight line basis at the following rates:

Non Residential Properties	4% per annum
Residential Properties	2% per annum
Motor Vehicles	25% per annum
Computer Equipment	33.33% per annum
Furniture, Fixtures & Fittings	10% - 20% per annum

v) Assets in the course of construction are stated at cost. They are not depreciated until complete.



# notes to the financial statements for the year ended 31 August 2021

## d) Investments

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.

## e) 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.

## f) Stock

Stock is stated at the lower of cost and net realisable value on a first in first out basis.

## g) 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.

## h) 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.

## i) 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 1d) these are initially recognised at transaction value and may be subsequently measured at their settlement value.

## j) 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

All income is recognised in the SOFA 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.



# notes to the financial statements for the year ended 31 August 2021

## j) Income continued

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. 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.

## k) Expenditure

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

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

## l) 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. The apportionment is based on several factors including numbers of staff, levels of income and direct cost and complexity of the activity.

## m) 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.

## n) 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, IT, Maintenance, Disability Support 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.

## o) 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:

The contributes to the Teachers Pension Scheme at the advised rates. As it is not possible to separately identify the assets and liabilities of the Teachers Pension Scheme, it is accounted for as if it were a defined contribution scheme. The contributions to the scheme are charged to the SOFA as they occur.

The Charity participates in the Social Housing Pension Scheme (SHPS), a defined benefit multi-employer pension scheme administered by TPT Retirement Solutions (TPT) to which the future accrual was closed at March 2013. Scheme assets are measured at a fair value.

Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Charity.

Interest on the scheme liabilities and the expected return on scheme assets are included net in expenditure. Re-measurements are reported in other comprehensive income.



# • notes to the financial statements for the year ended 31 August 2021

## **o) Pensions continued**

Further disclosures in this area are included in note 17.

### **Defined contribution schemes:**

Contributions to these schemes are charged to the Statement of Financial Activities as they are paid and allocated in line with individual staff costs of employment.

## **p) 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.

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

## **q) 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 and investments given for a specific purpose, and buildings that have been funded from specific bequests until such buildings are complete then they are transferred to unrestricted funds.

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.

## **r) 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 2021

## 2 Income

	Fees 2021 £'000	Grants 2021 £'000	Legacies 2021 £'000	Other 2021 £'000	Total year ended 31 Aug 2021 £'000	Total year ended 31 Aug 2020 £'000
<b>Unrestricted funds</b>						
<b>Charitable activities:</b>						
Education & training services	7,821	225	-	38	<b>8,084</b>	7,878
Housing & support services	1,058	45	-	-	<b>1,103</b>	3,644
Community services	-	81	-	61	<b>142</b>	79
	8,879	351	-	99	<b>9,329</b>	11,601
Donations & legacies	-	234	384	156	<b>774</b>	610
Other trading activities	-	-	-	107	<b>107</b>	142
Investments	-	-	-	69	<b>69</b>	87
Other	-	3	-	-	<b>3</b>	17
	8,879	588	384	431	<b>10,282</b>	12,457
<b>Restricted funds</b>						
<b>Charitable activities:</b>						
Community services	-	212	-	103	<b>315</b>	230
Donations and legacies	-	14	-	105	<b>119</b>	116
Other trading activities	-	-	-	-	<b>-</b>	9
Investments	-	-	-	10	<b>10</b>	10
	-	226	-	218	<b>444</b>	365
<b>Endowment funds</b>						
	-	-	-	-	<b>-</b>	2
<b>Total Income</b>	8,879	814	384	649	<b>10,726</b>	12,824



# notes to the financial statements for the year ended 31 August 2021

## 3 Expenditure

### Analysis of expenditure

	Staff costs £'000	Other direct costs £'000	Depreciation charges £'000	Governance costs £'000	Other support costs £'000	Total year ended 31 Aug 2021 £'000	Total year ended 31 Aug 2020 £'000
<b>Unrestricted funds</b>							
<b>Charitable activities:</b>							
Education & training services	5,271	1,471	451	24	1,108	<b>8,325</b>	7,674
Housing & support services	471	203	80	2	104	<b>860</b>	3,856
Community services	295	96	8	2	98	<b>499</b>	584
	6,037	1,770	539	28	1,310	<b>9,684</b>	12,114
<b>Donations and legacies</b>	227	59	6	1	68	<b>361</b>	417
<b>Other trading activities</b>	8	2	1	-	6	<b>17</b>	42
<b>Investments</b>	-	16	-	-	-	<b>16</b>	11
<b>Others</b>	-	15	-	-	-	<b>15</b>	-
<b>Total unrestricted expenditure</b>	<b>6,272</b>	<b>1,862</b>	<b>546</b>	<b>29</b>	<b>1,384</b>	<b>10,093</b>	<b>12,584</b>
<b>Restricted funds</b>							
<b>Charitable activities:</b>							
Education & training services	96	69	-	-	-	<b>165</b>	-
Housing & support services	-	2	-	-	-	<b>2</b>	-
Community services	271	28	-	-	21	<b>320</b>	266
	367	99	-	-	21	<b>487</b>	266
<b>Donations and legacies</b>	-	-	-	-	-	-	21
<b>Other</b>	-	-	-	-	-	-	17
<b>Total restricted expenditure</b>	<b>367</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>21</b>	<b>487</b>	<b>304</b>
<b>Endowment funds</b>							
<b>Investments</b>	-	-	-	-	-	-	8
<b>Total endowment expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Total expenditure</b>	<b>6,639</b>	<b>1,961</b>	<b>546</b>	<b>29</b>	<b>1,405</b>	<b>10,580</b>	<b>12,896</b>
<b>Reallocation per note 3a</b>	<b>978</b>	<b>427</b>	<b>-</b>	<b>-</b>	<b>(1,405)</b>	<b>-</b>	<b>-</b>
<b>Expenditure after reallocation of support costs</b>	<b>7,617</b>	<b>2,388</b>	<b>546</b>	<b>29</b>	<b>-</b>	<b>10,580</b>	<b>12,896</b>



# notes to the financial statements for the year ended 31 August 2021

## 3(a) Analysis of support costs

	Education & training services £'000	Housing & support services £'000	Community services £'000	Fundraising £'000	Trading £'000	Total year ended 31 Aug 2021 £'000
Finance	178	21	10	16	1	226
Human resources	172	15	15	7	-	209
Information technology	215	12	37	14	5	283
Marketing	144	10	39	22	-	215
Management	209	20	18	9	-	256
Property services	62	14	-	-	-	76
Maintenance	128	12	-	-	-	140
<b>Unrestricted function/activity</b>	<b>1,108</b>	<b>104</b>	<b>119</b>	<b>68</b>	<b>6</b>	<b>1,405</b>

## 3(b) Analysis of governance costs

	Total year ended 31 Aug 2021 £'000	Total year ended 31 Aug 2020 £'000
Legal & professional	1	1
Audit fees	28	17
Trustee costs	-	2
<b>Total governance costs</b>	<b>29</b>	<b>20</b>

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 2021

## 4(a) Net income

This is stated after charging:

	Total year ended 31 Aug 2021 £'000	Total year ended 31 Aug 2020 £'000
<b>External Auditors' remuneration (excluding VAT):</b>		
Audit fees	23	15
Other financial services	7	-
	<b>30</b>	<b>15</b>
Depreciation	546	579
Operating leases	138	262
(Loss)/gain on disposal of fixed assets	(15)	3

## 4(b) Operating Leases

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

At 31 August 2021 the Charity had total future minimum lease payments under these leases as follows:

	2021 £'000	2020 £'000
<b>Land and buildings</b>		
Leases expiring not later than one year	93	113
Leases expiring later than one year and not later than five years	76	156
Leases expiring later than five years	923	936
	<b>1,092</b>	<b>1,205</b>
<b>Office equipment</b>		
Leases expiring not later than one year	14	25
Leases expiring later than one year and not later than five years	12	26
Leases expiring later than five years	-	-
	<b>26</b>	<b>51</b>



# notes to the financial statements for the year ended 31 August 2021

## 5 Staff costs and employee benefits

	Total year ended 31 Aug 2021 £'000	Total Year ended 31 Aug 2020 £'000
Wages and Salaries	6,839	8,230
Social security costs	534	628
Defined contribution pension scheme costs	130	183
Defined benefit pension scheme costs	90	90
Other benefits	20	21
Redundancy and severance pay	5	44
	<b>7,618</b>	<b>9,196</b>
	<b>2021</b>	<b>2020</b>
The average number of employees and supply workers during the year:	<b>381</b>	<b>476</b>

This average is calculated by looking at the totals for employees paid for each month and dividing by the number of months in the year.

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 agency costs reduced in the year as a result of cost control measures implemented late in the previous year.

	2021 £'000	2020 £'000
Agency staff costs:	375	680

No amounts were reimbursed to Board members for travel expenses during the year. In the previous year amounts were paid to 5 Board members totalling £892.

	2021 £'000	2020 £'000
<b>Key management personnel:</b>		
Emoluments for that group of employees	421	459
Employers National Insurance contributions	50	54
Employers pension contributions	31	32
	<b>502</b>	<b>545</b>

Key management personnel are defined as the members of the Board of Directors and Senior Management Team which includes the Chief Executive, Director of Marketing & Communications, College Principal, Director of Community Services, Director of Fundraising, People Director and Director of Finance & Resources.

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

	2021	2020
£60,001 - £70,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-



# notes to the financial statements for the year ended 31 August 2021

## 6 Tangible fixed assets

	Land and buildings		Fixtures, fittings plant & vehicles Cost £'000	Assets under construction Cost £'000	Total £'000
	Residential housing Valuation £'000	Non residential housing Cost £'000			
<b>Cost</b>					
At 1 September 2020	5,481	10,415	3,573	46	19,515
Additions	5	3	122	-	130
Transfer on completion	-	-	14	(14)	-
Disposals	(2,589)	-	(337)	(32)	(2,958)
Revaluation	(32)	-	-	-	(32)
<b>At 31 August 2021</b>	<b>2,865</b>	<b>10,418</b>	<b>3,372</b>	<b>-</b>	<b>16,655</b>
<b>Depreciation</b>					
At 1 September 2020	-	7,060	3,371	-	10,431
Charge for year	71	374	101	-	546
Disposals	(13)	-	(324)	-	(337)
Revaluation	(58)	-	-	-	(58)
<b>At 31 August 2021</b>	<b>-</b>	<b>7,434</b>	<b>3,148</b>	<b>-</b>	<b>10,582</b>
<b>Net Book Value at 31 August 2021</b>	<b>2,865</b>	<b>2,984</b>	<b>224</b>	<b>-</b>	<b>6,073</b>
Net Book Value at 31 August 2020	5,481	3,355	202	46	9,084

The valuations were carried out on an open market basis by firms of estate agents with knowledge of the local areas, these valuations were corroborated by the Charity's Estates Management Team.

### Historical cost of residential properties before valuation

	Cost £'000	Depreciation £'000	Net book value £'000
At 1 September 2020	2,805	(1,642)	1,163
Additions	5	-	5
Disposals	(1,932)	1,227	(705)
Charge for year	-	(32)	(32)
<b>At 31 August 2021</b>	<b>878</b>	<b>(447)</b>	<b>431</b>

The Charity has a bank overdraft and loans secured on several of its fixed assets. The valuations in these accounts of those assets that are pledged as security are:

	2021 £'000	2020 £'000
Non-residential properties	2,691	2,950
Residential properties	1,495	3,654
	<b>4,186</b>	6,604
Value of bank overdraft and loans to which security belongs		
Bank overdraft see Note 9	-	1,096
Bank loans see Notes 9 & 10	836	922
	<b>836</b>	2,018



# notes to the financial statements for the year ended 31 August 2021

## 7 Investments

Investments are stated at market value at 31 August 2021 and are held by nominee companies on behalf the Charity

	Unrestricted £'000	Restricted £'000	Total £'000
Market Value 1 September 2020	2,816	251	3,067
Additions	280	-	280
Disposals at market value	(243)	-	(243)
Revaluation gain - unrealised	327	56	383
Movement within investment portfolio	(25)	-	(25)
Transfers	37	(37)	-
<b>Market Value 31 August 2021</b>	<b>3,192</b>	<b>270</b>	<b>3,462</b>

	Unrestricted £'000	Restricted £'000	Total 2021 £'000	Total 2020 £'000
<b>Investments comprise:</b>				
Listed investments	3,078	270	3,348	2,893
Cash in bank	114	-	114	174
	3,192	270	3,462	3,067
Historic cost	2,592	226	2,818	2,812

None of the investments have a market value at 31 August 2021 exceeding 5% of the value of the total portfolio.

At 31 August 2021 the charity had a loan secured against two unrestricted investment portfolios. The value of the loan shown in note 9 was £1million (2020: £1million) and the value of the investments was £2.293million (2020:£2.124million).



# notes to the financial statements for the year ended 31 August 2021

## 8 Debtors

	2021 £'000	2020 £'000
Trade debtors	429	379
Other debtors	4	-
Other taxation	-	2
Prepayments and accrued income	506	226
	<b>939</b>	<b>607</b>

## 9 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	330	270
Bank overdraft	-	1,096
Bank loan	87	86
Other loan	1,000	1,000
Special purpose funds held	16	15
Other creditors	113	225
Other taxation	125	144
Accruals and deferred income	528	660
	<b>2,199</b>	<b>3,496</b>

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

	2021 £'000	2020 £'000
Bank loan	749	836
	<b>749</b>	<b>836</b>

### Bank Loan

The bank loan is secured by charges on the Charity's properties and is repayable in instalments at varying rates of interest due as follows:

	2021 £'000	2020 £'000
Due in less than one year	87	86
Due between one and two years	87	87
Due between two and five years	662	264
Due in five years or more	-	485
	<b>836</b>	<b>922</b>

At August 31st 2020, the Charity's bank loan agreement was subject to covenant clauses whereby the Charity was required to meet certain financial conditions. At 31 August 2020 the Charity's free reserves were less than £1m and consequently a financial condition was breached. Whilst the bank was contractually entitled to request repayment of the loan, or alter the terms of the loan, it took no action and in April 2021 the terms of the loan were negotiated and the condition was removed.

Therefore, as at 31 August 2020 £836k of the outstanding balance of £922k was presented as a non-current liability.



# notes to the financial statements for the year ended 31 August 2021

## 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 2020 £'000	Prior year released £'000	Additions £'000	Balance as at 31 Aug 2021 £'000
College fees	319	(172)	169	316
Housing and Support fees	119	(119)	7	7
<b>Total</b>	<b>438</b>	<b>(291)</b>	<b>176</b>	<b>323</b>

## 12 Analysis of changes in net debt

	Balance as at 1st September £'000	Cash flows £'000	Other non-cash changes £'000	Balance as at 31 Aug 2021 £'000
Cash	242	1,145	-	1,387
Overdraft facility repayable on demand	(1,096)	1,096	-	-
Loan repayable on demand	(1,000)	-	-	(1,000)
<b>Cash and cash equivalents</b>	<b>(1,854)</b>	<b>2,241</b>	<b>-</b>	<b>387</b>
Loans falling due within one year	(86)	86	(87)	(87)
Loans falling due after more than one year	(836)	-	87	(749)
<b>Total</b>	<b>(2,776)</b>	<b>2,327</b>	<b>-</b>	<b>(449)</b>

## 13 Reserves

### a) Funds reported under FRS 102

	Balance as at 1 September 2020 £'000	Incoming funds £'000	Unrealised gain/(loss) on revaluation of tangible fixed assets £'000	Unrealised gain on investment £'000	Transfers £'000	SHPS defined benefit scheme movement £'000	Amounts expended £'000	Balance as at 31 Aug 2021 £'000
(i) Unrestricted Funds	5,498	10,282	(8)	354	(25)	393	(10,093)	6,401
(ii) Restricted Funds	873	444	34	56	25	-	(487)	945
<b>Total</b>	<b>6,371</b>	<b>10,726</b>	<b>26</b>	<b>410</b>	<b>-</b>	<b>393</b>	<b>(10,580)</b>	<b>7,346</b>



# notes to the financial statements for the year ended 31 August 2021

## 13 Reserves – continued

### b) Restricted funds: Movement in the year

	Balance as at 1 September 2020 £'000	Incoming funds £'000	Unrealised gain on investment £'000	Unrealised gain on Property Revaluation £'000	Transfers £'000	Amounts expended £'000	Balance as at 31 Aug 2021 £'000
Greater Manchester Community Services	1	-	-	-	-	-	1
BBC Children in Need reference 2017 - 2870/NW	6	16	-	-	-	(22)	-
Revaluation Reserves Fixed Assets	426	-	-	34	-	-	460
Sight Support Oldham	251	10	56	-	-	(47)	270
Bolton Society for Blind People	3	-	-	-	-	-	3
Bolton Council Department of People Services	1	34	-	-	-	(35)	-
Arts & Crafts Centre Capital Appeal	51	1	-	-	(13)	(39)	-
The National Lottery Community Fund - Live Life, Go Further	34	36	-	-	-	(32)	38
Tameside Sight Services	19	-	-	-	-	(7)	12
Tameside Council	20	35	-	-	-	(36)	19
The National Lottery Community Fund - Pathway To Wellbeing	22	126	-	-	-	(113)	35
Minds in Sight	2	-	-	-	-	(2)	-
Restricted Liverpool Childrens Services	35	15	-	-	-	(25)	25
Housing	2	-	-	-	-	(2)	-
Manchester Children's Services	-	14	-	-	-	-	14
Arts Council Funding	-	89	-	-	38	(127)	-
Ashton Under Lyne District Fund For The Blind	-	68	-	-	-	-	68
<b>Total</b>	<b>873</b>	<b>444</b>	<b>56</b>	<b>34</b>	<b>25</b>	<b>(487)</b>	<b>945</b>

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 funds relate primarily to premises at College.

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

Tameside Sight Service fund relates to assets donated by that charity to continue work in Tameside.

Ashton Under Lyne District Fund For The Blind relate to assets donated by that charity to continue work in Ashton Under Lyne.



# • notes to the financial statements for the year ended 31 August 2021

## 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 27 August 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 2021, nor did they incur any liability or enter into any commitment.

## 15 Fidelity insurance

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

## 16 Capital commitments

No capital expenditure was contracted nor provided for in the financial statements (2020: nil).

## 17 Pension obligations

### 17.1 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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). 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 2021

## **(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 Service 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 – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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 pension 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**

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found by following this link:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

## **(iii) Scheme changes**

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.



# notes to the financial statements for the year ended 31 August 2021

## b) Social Housing Pension Scheme

### Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 Aug 2021 £'000	31 Aug 2020 £'000
Fair value of plan assets	15,616	13,710
Present value of defined benefit obligation	(17,183)	(16,007)
Deficit in plan	(1,567)	(2,297)
Defined benefit liability	(1,567)	(2,297)

### Reconciliation of opening and closing balances of the defined benefit obligation

	Period Ended 31 Aug 2021 £'000	Period Ended 31 Aug 2020 £'000
Defined benefit obligation at start of period	16,007	16,808
Expenses	15	16
Interest expense	270	289
Actuarial (gains)/ losses due to scheme experience	(298)	48
Actuarial losses/ (gains) due to changes in demographic assumptions	66	(170)
Actuarial losses/ (gains) due to changes in financial assumptions	1,699	(288)
Benefits paid and expenses	(576)	(696)
Defined benefit obligation at end of period	17,183	16,007

### Reconciliation of opening and closing balances of the fair value of plan assets

	Period Ended 31 Aug 2021 £'000	Period Ended 31 Aug 2020 £'000
Fair value of plan assets at start of period	13,710	13,659
Interest income	234	236
Experience on plan assets (excluding amounts included in interest income) - gain	1,860	55
Contributions by the employer	388	456
Benefits paid and expenses	(576)	(696)
Fair value of plan assets at end of period	15,616	13,710

The actual return on the plan assets (including any changes in share of assets) over the year ended 31 August 2021 was £2,094k (2020: £292k).

### Defined benefit costs recognised in statement of financial activities

	Period Ended 31 Aug 2021 £'000	Period Ended 31 Aug 2020 £'000
Expenses	15	16
Net interest expense	36	52
Defined benefit costs recognised in statement of financial activities	51	68



# notes to the financial statements for the year ended 31 August 2021

## b) Social Housing Pension Scheme continued

### Defined benefit costs recognised in statement of financial activities

	Period Ended 31 Aug 2021 £'000	Period Ended 31 Aug 2020 £'000
Experience on plan assets (excluding amounts included in interest income) - gain	1,860	55
Experience gains and losses arising on the plan liabilities - gain/ (loss)	298	(48)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/ gain	(66)	170
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - (loss)/ gain	(1,699)	288
<b>Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain</b>	<b>393</b>	<b>465</b>
<b>Total amount recognised in other comprehensive income - gain</b>	<b>393</b>	<b>465</b>

### Assets

	31 Aug 2021 £'000	31 Aug 2020 £'000
Global Equity	2,739	2,486
Absolute Return	587	626
Distressed Opportunities	468	278
Credit Relative Value	453	373
Alternative Risk Premia	534	484
Fund of Hedge Funds	-	2
Emerging Markets Debt	558	555
Risk Sharing	473	403
Insurance-Linked Securities	344	365
Property	300	281
Infrastructure	914	871
Private Debt	336	335
Opportunistic Illiquid Credit	435	329
High Yield	1	383
Opportunistic Credit	422	336
Cash	4	8
Corporate Bond Fund	846	718
Liquid Credit	78	143
Long Lease Property	317	220
Secured Income	521	474
Liability Driven Investment	5,254	3,963
Net Current Assets	32	77
<b>Total assets</b>	<b>15,616</b>	<b>13,710</b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.



# notes to the financial statements for the year ended 31 August 2021

## b) Social Housing Pension Scheme continued

### Key assumptions

	31 Aug 2021 % per annum	31 Aug 2020 % per annum
Discount Rate	1.69	1.72
Inflation (RPI)	3.36	3.00
Inflation (CPI)	2.89	2.00
Salary Growth	3.89	3.00
Allowance for commutation of pension for retirement cash at	75% of max allowance	75% of max allowance

The mortality assumptions adopted at 31 August 2021 imply the following life expectancies:

	Life expectancy years at age 65 31 Aug 2021	Life expectancy years at age 65 31 Aug 2020
Male retiring in 2021 (2020)	21.6	21.5
Female retiring in 2021 (2020)	23.5	23.5
Male retiring in 2041 (2040)	22.9	22.9
Female retiring in 2041 (2040)	25.1	24.5

## 17.2 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 £130k (2020: £183k) 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 271 (2020: 349).

## 18 Related party transactions

The Charity received donations from 5 (2020:6) directors of the Trustee Board amounting to £2,468 (2020: £1,903).

## 19 Voluntary income and income from trusts and grants

Details of voluntary income generated by the fundraising team, appears on page 39. 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:

### The National Lottery Community Fund

£126,920 from The National Lottery Community Fund as part payment for Henshaws Pathway to Wellbeing: Trafford, Manchester, Salford (Project ID 0010261149).

£38,811 from The National Lottery Community Fund as part payment for Henshaws Live Life, Go Further project.



# • notes to the financial statements for the year ended 31 August 2021

## **BBC Children in Need**

£15,575 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 our gratitude to the individuals, companies, community groups, and trusts and foundations who supported our work in 2020-21. Your donations had a significant impact on our services and helped support our students, art makers and service users at a very challenging time. We would especially like to acknowledge the generosity of the late Marissa Dale and all those who left a gift to Henshaws in their will.

The continuing generosity and commitment of individual and organisational donors is essential to our work and we would like to thank you all. The following organisations made a significant impact in 2020-21 with donations in excess of £10,000

Cargill

Direct Line Insurance Plc

The National Lottery Community Fund

Arts Council England

BBC Children in Need

Bolton CVS

Trafford Active Fund

The Department of Digital, Culture, Media and Sport

The Zochonis Charitable Trust

The Greater Manchester High Sheriffs Police Trust

Manchester City Council

The Department of Digital, Culture, Media and Sport

Thomas Pocklington Trust

The Rank Foundation



# • 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 (resigned 27 May 2022)  
Sally Bence, Chair  
Christine Oates  
Arthur Aston (resigned 25 January 2021)  
Helen Brazier (resigned 25 January 2021)  
Richard Platt  
Patrick Roche  
Elizabeth Craig (resigned 2 June 2021)  
Sarah C Greensides  
Nicola M. Bishop  
Jonathan M. H. Oxley  
Patrick Moran (appointed 25 January 2021)  
Marie Rayner (appointed 23 December 2021)  
Radhika M Rangaraju (appointed 12 January 2022)

## Senior Management Team

Nick Marr, Chief Executive  
Adrian Sugden, College Principal  
(resigned 31 December 2021)  
David McGonigle, Director of Finance & Resources  
(resigned 31 December 2021)  
Robert Cooper, Director of Community Services  
(resigned 31 December 2020)  
Stephen Tongue, Director of Fundraising  
Deirdra Barr, Director of Marketing & Communications  
Antoinette Stewart, Director of HR  
(resigned 28 February 2021)  
Mickela Lee, Director of Housing Development  
(resigned 1 December 2020)  
Anna Lodge, People Director  
(appointed 1 December 2021)  
Tom Harte, Charity & Commercial Director  
(appointed 12 April 2021)  
Sally Daniels, Director of Finance & Resources  
(appointed 20 December 2021)  
Paula Williams, Director of Care & Education  
(appointed 2 February 2022, resigned 20 May 2022)

## President

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

## Ambassadors

Stefan Andrusyschyn  
Phil Collins  
Paula Lane  
Denise Leigh  
Harold F Riley  
Hannah Russell MBE  
Tom Shaw  
Rosie King  
Sharon King

## Patrons

Sir James Anderton CBE QPM DL  
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

Schofield Sweeney  
Church Bank House,  
Bradford, BD1 4DY

## Registered Office

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