

**Sight Scotland Veterans**

**(Previously known as Scottish War Blinded)**

**Annual Report and Accounts For the year to 31 March 2021**

**Sight Scotland Veterans is a Scottish Charitable Incorporated  
Organisation,  
Number SC047192**

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Year ended 31 March 2021

Sight Scotland Veterans was previously known as Scottish War Blinded and was incorporated as a Scottish Charitable Incorporated Organisation (SCIO) on 21 February 2017 and commenced operations on 1 April 2017, Charity Number SC047192. All engagements, assets and liabilities from the Scottish National Institution for the War Blinded, Charity Number SC002652, were transferred to Scottish War Blinded (now Sight Scotland Veterans) on 1 April 2017 with the same Trustees. The Scottish National Institution for the War Blinded continues to exist in a dormant state with no assets or liabilities. Scottish War Blinded changed its name to Sight Scotland Veterans on 8 October 2020.

**Patron:** His Royal Highness the Duke of Gloucester, K.G., G.C.V.O.

**President:** His Grace the Duke of Buccleuch and Queensberry, KBE

**Trustees (The Directors of Sight Scotland)**

Michael Craig (Chair)

Jamie Cuthbertson (Resigned 2 July 2020)

Mike Donnelly

Michelle McWilliams

Mike Martin

Graeme Bold

Jay Hogarty

Aidan McCorry

Ian McGregor (Resigned 28 February 2021)

Stephanie Philips

Elizabeth Porterfield

Professor Baljean Dhillon (Resigned 9 December 2020)

Robert Mooney (Resigned 9 December 2020)

Derek Howie (Resigned 30 June 2020)

James Milhench (Resigned 8 October 2020)

Appointed as Interim Trustees on 23 April 2021

David McArthur

Catherine Topley

Dianne-Dominique Theakstone

**Chief Executive and Secretary** – Mark O'Donnell

**Principal Office** - 2a Robertson Avenue, Edinburgh, EH11 1PZ

**Auditor** - BDO LLP, Citypoint, 65 Haymarket Terrace, Edinburgh EH12 5HD

**Bankers** - The Royal Bank of Scotland plc, 26 Home Street, Edinburgh EH3 9LZ

**Solicitors** - Thorntons, Citypoint, 3<sup>rd</sup> Floor, 65 Haymarket Terrace, Edinburgh, EH12

**Investment Advisers** – Barnett Waddingham LLP, 163 West George Street, Glasgow G2 2JJ

## Objectives

Sight Scotland Veterans supports ex-servicemen and women living with significant sight loss. We have been providing Armed Forces veterans with life-changing opportunities for over 100 years.

Our support equips veterans to rediscover and maintain independence and improve their quality of life.

Our vision is to see a community in which blind and partially sighted veterans, including those who have other disabilities, are fully included and lead fulfilling lives.

We are there to support veterans with sight loss by:

- Developing people's skills and resources for independent living.
- Supporting and meeting individuals' needs and aspirations.
- Involving people as leaders, employees and supporters, and proactively engaging people in shaping the services they receive.
- Innovating our services to reflect the changing needs of those who need us most.

We are continually evolving our approach to ensure we can reach every veteran who needs us. None of our work would be possible without the commitment of our outstanding people, including our staff, volunteers and donors. The contribution of veterans affected by sight loss is invaluable in enabling us to grow and progress.

## Chair's Statement

The period which this report covers has been dominated once again by the Coronavirus pandemic and its impact on our beneficiaries, staff and other stakeholders. Our services to veterans and their families have inevitably been affected by the COVID-19 restrictions that have been in place throughout Scotland during the period. Despite these restrictions, our dedicated members of staff and volunteers have done a wonderful job in supporting over 1,300 veterans to live as independently as possible. On behalf of the Board of Trustees, I would like to thank everyone who has contributed so much to the mission of Sight Scotland Veterans.

## Report of the Trustees

### Our people, structure and governance

The Trustees have pleasure in presenting their report for the year ended 31 March 2021. This report is prepared in accordance with the constitution and the

recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities and complies with applicable law.

### **Statement of Trustees Responsibilities**

The Trustees are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Structure, governance and management**

Sight Scotland Veterans is a Scottish Charitable Incorporated Organisation (SCIO) – charity number S047192. This charity has operated since April 2017, having assumed the engagements, assets and liabilities of The Scottish National Institute

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for the War Blinded, an unincorporated charity. The Scottish National Institute was founded by the Royal Blind Asylum and School in 1915 to meet the needs of those returning to Scotland with visual impairment from the First World War. Today, the charity is governed by its Trustees, who are also the Directors of Sight Scotland (formerly known as the Royal Blind Asylum and School), which is a separate charity (Charity number SC017167). Sight Scotland Veterans shares corporate resources with Sight Scotland, although Sight Scotland is financially separate, has different charitable objectives and neither organisation exerts control over the other. The Trustees of Sight Scotland Veterans actively manage their obligation to respect the separate legal status of the two charities.

The 'Chief Executive' is simultaneously the Chief Executive of both Sight Scotland and Sight Scotland Veterans, which is consistent with a number of Head Office roles and functions. The main exception is that a Director of Service for each charity has been appointed who oversees day-to-day management of their charity's services in line with authority delegated to them by the Chief Executive. Terms of reference have been developed for committees ensuring that sufficient prominence is given to the affairs of both charities in the structure, and minutes and agendas clearly mark where issues relate to either charity or both.

Our current Chief Executive, Mark O'Donnell, resigned from the charity in July 2021 and will leave his post in October. The Trustees would like to personally thank Mark for his extremely hard work and leadership in transforming both charities over the last four years and we wish him well as he takes up his new post. The Trustees are recruiting a new Chief Executive, with assistance from the Senior Leadership Team.

The Trustees endeavour to ensure that they recruit to the Board people who are best suited to govern both charities. New trustees receive an induction, which includes briefings on the objectives and activities of the organisation and how it is presently organised to deliver its objectives. The induction also covers the roles and responsibilities of charity trustees.

Trustees normally serve for a term of six years, which may be extended in the case of the Chair, the Vice-Chairs and committee conveners. No remuneration has been paid to any Trustee.

A Corporate Committee and an Audit Committee are in place, covering both charities. A Remuneration Committee determines the terms and conditions of the Chief Executive and Executive team members. The day to day management of Sight Scotland Veterans is overseen by the Community Committee, which has the responsibilities of oversight and detailed consideration of budgets, plans and decisions which are then the subject of recommendation to the Board.

The day-to-day management of Sight Scotland Veterans is delegated to the Chief Executive. The duties of the Chief Executive and other Head Office management cover both organisations. A charging structure is in place between Sight Scotland

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and Sight Scotland Veterans to ensure costs are appropriately allocated for shared roles.

Each service within Sight Scotland Veterans has a defined management structure and a manager accountable for it who reports to the Director of Services Sight Scotland Veterans, who in turn reports to the Chief Executive. The term "member" is used to describe those who are eligible and willing to receive services and support and are known to Sight Scotland Veterans. No voting right or beneficial ownership is implied.

No remuneration has been paid to the Board of Trustees, members of Council or members of any Committee. The Trustees benefit from trustee indemnity insurance arranged by Sight Scotland.

### **Board Members**

Six Board Members stepped down during 2020/21. Derek Howie stepped down on 30 June 2020, Jamie Cuthbertson stepped down on 2 July 2020, James Milhench stepped down on 8 October 2020, Baljean Dhillon and Robert Mooney stepped down on 9 December 2020 and Ian McGregor stepped down on 28 February 2021.

Sight Scotland is reviewing its own governance arrangements and has submitted proposals to the Privy Council for the reorganisation of its Board structure in line with its Royal Charter. The effect of this will be to reduce the number of Sight Scotland Veterans Trustees from 19 to 13 which still complies with the Trustee membership numbers requirement (a minimum of 3) stipulated in its constitution.

David McArthur, Catherine Topley and Dianne-Dominique Theakstone were appointed as Interim Trustees on 23 April 2021.

The Board would like to thank all of its former members for their hard work and commitment over the years.

### **Key Achievements and Performance**

This year was of historic significance due to the COVID-19 pandemic. No person or organisation has been left untouched by its effects and it's likely that restrictions to our way of life will continue well into 2021-22 if not the year beyond. The pandemic has brought with it opportunities to re-think working practices and assumptions as well as the obvious challenges of living with lockdown and the huge impact that contracting COVID has had on service users and staff.

More information about the activities of the charity including detailed case studies, historical background and general information about sight loss can be found on our website [www.sightscotlandveterans.org.uk](http://www.sightscotlandveterans.org.uk)

## **Service Delivery**

We deliver our services through three main services: Outreach, rehabilitation, and activity centres.

### **Outreach**

Outreach services support our members to solve challenges and link them with other local services who offer specialist help. Our team visit members at home to offer:

- advice and information
- an empathic, listening ear
- assessment for and provision of equipment to support independence
- a variety of local social opportunities.

This year we have implemented a new staffing structure of three Practice Leads who each manage a team of six or seven Outreach Workers. The staff team have been given the option of working from home which the majority have chosen to do. This has so far saved the charity over £40,000 in rental costs.

### **Rehabilitation Services**

Our specialist rehabilitation service provides, either at home or at one of our centres:

- low vision assessments
- specialist equipment to assist with independence
- mobility and independent living skills training and advice.

The team of five staff is led by a Lead Rehabilitation officer.

### **Activity Centres**

Sight Scotland Veterans run Scotland's only specialist activity centres for veterans with sight loss - the Hawkhead Centre in Paisley, Renfrewshire and The Linburn Centre in Wilkieston, West Lothian.

Every member who attends a centre has the opportunity to gain new skills, meet peers, and enjoy a wide variety of activities.

Partner organisations such as Action on Hearing Loss and the Armed Services Advice Project have held clinics at the centres over the recent past.

### **Managing COVID-19**

Sight Scotland Veterans continued to maintain services as well and as safely as possible making adaptations to service delivery when we were able to. We had to



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close our two day centres as part of the lockdown restrictions and our Outreach service was maintained through regular contact with members by telephone in order to reassure them and avoid loneliness. During November and December 2020, the Outreach Team were able to make garden visits and sighted guide walks in areas such as Highland, Moray, Aberdeenshire and Aberdeen City which were classified as Level 2 under the Scottish Government's COVID tier system.

Our services, and the policies we have adopted, followed the guidance of the Scottish Government. We introduced enhanced cleaning regimes, staff policies in regard to social distancing, and physical barriers such as Perspex screens between workstations and, where staff have been able to, they have worked from home. Activities such as events, trips and reunion lunches were suspended.

Staff based at Head Office worked from home and as the pandemic grew deeper were provided with suitable IT and, where appropriate, furniture to set up home working bases.

Active use has been made of the Coronavirus Job Retention Scheme with around 40 staff at various points in the year being on full time or part time furlough. Eleven staff also volunteered to support Sight Scotland's older persons' residential facility at Jenny's Well.

## **Membership**

At the end of May 2021 Sight Scotland Veterans had 1,342 members. This includes 57 members with "temporary" status. These are members whose eligibility is yet to be verified.

There is a year on year decrease of one member with 1,343 members registered at the beginning of June 2020. However, an additional 49 new members since the end of January 2021 can partly be attributed to the Sight Scotland Veterans TV advert which had a prime time airing in the middle of Coronation Street and saw a rise in enquiries to the charity.

## **Comradeship Circles and Activity Groups**

Initially partnering with Age Scotland, we now have the facility to organise and deliver our own comradeship circles and activity groups Scotland wide. Age Concern have been an excellent partner and supported us to build our knowledge and experience in running groups.

As well as social chat groups, we are also running other community activities including quizzes, crossword sessions and reminiscence groups.

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Initially the groups were tested with centre attendees prior to Christmas, but the groups are now available Scotland wide. We are now on average delivering twelve sessions a week with between four and seven members attending each group.

### **Christmas Volunteering Support**

Eighteen volunteers provided two calls each to 38 members over the Christmas period. Members were identified by outreach workers, as those who would value a call over the period, particularly as there was concern that this was an isolating period.

Volunteers included Trustees, existing staff from Sight Scotland Veterans and Sight Scotland as well as our existing volunteers. The feedback has been very positive from members who were appreciative of the time given up by volunteers. Due to the positive feedback we plan to repeat this support in Christmas 2021.

### **Charles Bonnet Support Group**

Charles Bonnet Syndrome (CBS) is a syndrome that affects people with deteriorating sight, and it can cause visions and hallucinations.

The Rehabilitation team successfully trialled a four-week Charles Bonnet Support Group in February 2021. The team have partnered with Esme's Friend a national specialist charity and received guidance in setting up a support group. The group will aim to provide develop an individual's knowledge, skills and confidence.

### **Medical research**

Sight Scotland Veterans has continued its commitment started in 2019 to provide funding of £250,000 spread over 3 years as a co-founding charity of Action Against AMD (AAAMD). AAAMD, a charity in its own right, was founded by four leading sight loss charities to join efforts in identifying new interventions to stop the progression of early age-related macular degeneration.

### **Marketing and communications**

Following a programme of research and consultation new trading names for the charities were announced and the names Sight Scotland and Sight Scotland Veterans were adopted in October 2020. The new brand names were launched by First Minister, Nicola Sturgeon with an online video. This was part of an extensive communications campaign to ensure all stakeholders, both internal and external, were aware of the name changes. A programme of advertising including television and radio advertisements was put in place and ran throughout the autumn of 2020.

The re-branding has been well received and provides a fresh and vibrant image for the charity. Feedback so far is that the new brand is increasing awareness of Sight

Scotland Veterans and monitoring activity has been instituted to track progress over time as marketing activity increases.

## **Policy**

The medium to long-term goal for our Policy and Public Affairs activity is to effect maximum positive change on the lives of people with visual impairment in Scotland. To do this we aim for Sight Scotland and Sight Scotland Veterans to be recognised together as the highest profile sight loss organisation in Scotland and the 'go-to' charities for policy and media on visual impairment. During the year we have engaged with national government and worked across volunteer and disability organisations to promote Sight Scotland and Sight Scotland Veterans and the needs of visually impaired people. A new strategy for policy will be implemented during 2021-22 which will encompass wider media engagement responsibilities and the introduction of a research function building on the work of thematic research reports commissioned in recent years.

## **Employment Practices at work**

### **Investors In People**

Despite the challenges faced by Sight Scotland Veterans, we were pleased to be re-accredited this year with Investors in People which recognised the work that has been undertaken to maintain and improve approaches to staff management and development.

This has included the development of a values framework which is the culmination of a series of staff engagement sessions that has led to the identification of our three core values: Transform Unite and Thrive.



These values will form the basis of our staff recruitment and appraisal processes which are being re-designed and will be re-launched during 2021-22. The values statements are being embedded through staff communications and the introduction of internal staff award schemes.

### **Safeguarding**

Safeguarding of our service users is of the highest priority for all staff across all Sight Scotland Veterans' services. A suitably qualified member of the corporate Senior Leadership Team assumes responsibility for both charities and our safeguarding policy has been updated and a mandatory e-learning course for all staff and Trustees has been rolled out.

### **Volunteering**

Progress in developing volunteers building on the appointments of our volunteer manager in 2019 has slowed due to the pandemic although we do have an active and varied volunteering programme. Opportunities include befriending, teaching support, outreach and driving.

Our approach was recognised externally, and we were pleased to be awarded with Investors in Volunteer status for the first time during the year.

## **Gender Pay Gap**

In April 2021, the median gender pay gap was negative at -31.7% (-25.1% in 2019/20), which means that on average women are paid more than men. This is due to the types of roles men occupy in Sight Scotland Veterans. At -18.5% (19.8% in 2019/20) the mean gender pay gap was lower than the median. Our male employees comprise only 38% of what is a relatively small total workforce and make up an even smaller proportion of the senior management team so even small fluctuations can have a significant impact on the gender pay gap. Overall, the figures compare favourably to the ONS statistics, which show a national gender pay gap for Scotland (2020) at 10.4% (mean) and 10.9% (median).

We are confident that our employees are paid fairly and equally for the same or similar roles, and our equal pay statements are included in our Equality Status Reports.

## **Policy on reserves, pension and risk**

### **Risk Management**

The Trustees assess the major risks that face the charity, in particular those relating to its operations and finances. Accordingly, the Board ensures that suitable systems, processes and procedures are put in place to control all the services that support the main activities of the charity. The Audit Committee undertakes delegated functions in this respect, but the risks that score highest in impact and likelihood are reported annually to, and considered by, the Board itself.

The Trustees consider the most significant single risks to the organisation to be:

- A significant fall in the value of the charity's investments.
- Abuse or failure to safeguard vulnerable people, neglect or other instance of poor professional practice, and the loss of trust and reputational damage that might arise from it.
- Continuation of restrictions placed on our services because of COVID-19.

The Trustees have reviewed the situation and are confident that the charity has sufficient financial resources to continue operating for at least a year after the signing of these accounts.

### **Investment Policy**

In accordance with the SCIO, the Trustees have the power to invest in such stocks, shares, investments and property as they see fit.

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It is the Trustees' basic objective that assets which are not required for operational purposes should be invested to provide a commercial return through income or capital appreciation, in such a way as to guard appropriately against the risk of untimely loss of value.

This basic objective is in accord with charity law and proper stewardship of charitable resources.

The organisation's investment principles are:

- To regard the invested reserve as partly short to medium term and partly long term, and therefore to invest a set amount in lower risk assets (bonds and cash), and the remainder in equities or similar asset classes to provide capital growth as well as income.
- To monitor annually the expected need to realise assets over the next three to five years, and adjust the part of the portfolio that is held in investments with low short to medium term value fluctuation on a timescale that fits with the market circumstances pertaining at the time.
- To place the portfolio in management by competent and successful investment managers at a competitive fee level.
- To set performance benchmarks for the section of the portfolio managed by each investment manager, against which the manager's performance will be monitored.
- To invest in multiple markets so as not to expose the whole portfolio to a single set of national or sectoral circumstances.

The investment strategy for our overall asset allocation is:

- Retention of holdings in a property fund, and of the remainder –
- 25% passive global equity funds to provide cost-effective equity exposure and access to long term expected return
- 75% multi-asset funds to provide exposure to active asset allocation as a source of potential returns, divided as follows:
  - 25% in a diversified growth fund to diversify exposure to liquid asset classes away from equity, benefitting from equity-type returns but with protection against market downturns

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- 25% in Multi Asset Credit to provide exposure to less liquid credit holdings, with an income focus
- 25% in multi-alternatives to provide access to low liquidity asset classes not provided elsewhere in the portfolio.

### **Pension Provision**

Sight Scotland Veterans is a participating employer of a Defined Benefit pension scheme run by Sight Scotland which was closed to new members in March 2006 and to new accruals in November 2020. A Group Personal Pension plan, including both Sight Scotland and Sight Scotland Veterans has been in place since April 2006 to which auto-enrolment applies. The scheme is a salary sacrifice defined contribution scheme, open to all eligible employees, and is provided by Royal London.

### **Reserves Policy**

Sight Scotland Veterans financial plans are based on a five-year financial forecast, which determines the extent of the services we can fund in the coming years, mainly from the existing reserves, leaving a reserve sufficient to enable us to sustain the organisation's activities thereafter. The strategic review will serve to keep this reserves policy under review.

The present position is as shown in note 11 to the accounts. Total funds are £61.8 million, all unrestricted as to their purpose. Of that £61.8 million, £14.7 million can only be realised by disposing of tangible fixed assets and £46.2 million is in investments. Our free reserves are therefore £0.9 million but our investments of £46.2 million (2020, £41.7 million) can be realised as required and are regarded as free reserves in nature.

The accumulated reserves continue to provide all the protection the Trustees require against any financial difficulty in the event of adverse circumstances. It is the view of the Trustees that proper stewardship demands that a reserve be maintained to guard against insolvency, but that the level of reserves currently held makes the likelihood of such an eventuality extremely remote in the short and medium term. The Trustees have agreed that the charity should hold a minimum reserve of 12 months running costs (currently £5.2 million) and this is currently well within our free reserves. We will continue to deploy our reserves for the benefit of the people who use our services whilst ensuring that the level of reserves does not fall below our current minimum level.

## **Plans for our future direction**

### **Strategic Review**

The Board have recognised the opportunity to increase the level of support it provides to Veterans and the needs to adopt new strategies to engage more people. To make this a reality we have set four goals:

1. To enhance how we support veterans.
2. To remove barriers and become more accessible.
3. Understand what success looks like and ways to improve.
4. Use our resources wisely.

In mid-March the Chief Executive and Director of Services hosted a launch event to present the strategic vision and goals to all Sight Scotland Veterans staff and volunteers. The presentation covered the key drivers for change, alignment to Sight Scotland, and the meaning and purpose of the four goals in enabling us to achieve the strategic vision. A series of workshops entitled "Shaping our Future" led by staff champions was launched to engage staff on the future direction and provide a platform for member engagement.

A new strategy will be developed during the year which will form the guiding principles and describe the outcomes and desired impacts from Sight Scotland Veterans' activities.

### **Environmental, Social and Governance (ESG)**

As part of the Trustee's commitment to transparency and good governance Sight Scotland Veterans will develop an explicit statement and policy regarding Environmental, Social and Governance factors (ESG). Sight Scotland Veterans is not obliged to develop such a statement of policy, but the Trustee's consider it good practice to do so. As a charity with a significant portfolio of investments the Board will work with its investment advisors to ensure that it is investing in an ethical and sustainable way. It will also examine organisational performance in order to minimise the impact on the environment and monitor these impacts through a new corporate performance framework being developed by the Board. The Trustees are conscious of the wider social good that Sight Scotland Veteran's activities can deliver and will promote a more equal society by embedding the new values: Transform, Unite and Thrive, in the ESG policy statement.



## **Our Financial Review**

Income is shown in total at £1.6 million, derived mainly from investments and legacies. Income from legacies at £181,000 is showing a marked reduction from last year's receipts of £596,000, with very little activity, possibly as a result of Solicitors offices being closed for part of the year and property sales being curtailed. Investment income was £884,000 (2020, £973,000).

A result of COVID19 measures was that the Hawkhead and Linburn Centres were closed for member activities and the Outreach service was suspended for direct meetings with members. Some employees of Linburn and Hawkhead worked for a time in Sight Scotland's residential care homes during the pandemic and Sight Scotland paid their salary costs, which is why Linburn and Hawkhead are showing as having received income.

Expenditure at the Linburn Centre was slightly less than last year at £1.2 million (2020, £1.4million) and financial support to members continues to decrease as we lost some of our members during the year. Total expenditure for Financial support was £678,000 (2020, £760,000).

The Hawkhead Centre in Paisley has shown reduced total expenditure of £1.1 million (2020, £1.2 million).

The Outreach Service reports expenditure of £1.9 million for the year remaining relatively unchanged from the previous year (2020, £2.0 million). Although Outreach workers have not been able to meet members directly during the year, they continued to support members with regular phone calls and also arranging any equipment required, to be delivered to members.

The result from our operations, including everything except the gains on our investments and the actuarial gain on the pension scheme, was a deficit of £3.6 million. This is in line with our strategy to utilise our reserves for the benefit of members and developing innovative services for them.

Investments recovered during the year, regaining losses reported in the previous year. The gains in the value of the investments totalled £8.3 million. We have drawn from our investments during the year to sustain both capital and revenue expenditure.

The overall result (Net movement in funds) is an increase of £4.7 million.

The balance sheet shows tangible fixed assets of £14.7 million, mainly comprising of our two day centres, properties at Linburn and associated vehicles. We maintained a healthy cash and bank balance in order to meet our commitments and we continue to draw from our investments of £46 million in a managed fashion in order to maximise returns.

## **Going Concern**

The Trustees have discussed the level of reserves in relation to future plans and forecasts for income and expenditure to March 2025 and have concluded that the charity continues to operate on a going concern basis. As the charity does not rely on fundraising for its operations and has reduced costs while the day centres are closed and the Outreach service paused, the effects of COVID-19 are not a direct threat to our financial stability. However, the continuing volatility in investment values is likely to have an adverse effect if we should require to draw down upon our investments for cashflow purposes.

We have investigated a scenario where no further income is forthcoming from investments and fundraising and concluded that the charity could still be run at current operating levels for at least another seven years. The Trustees are carefully monitoring the situation in consultation with our Investment advisers and the Head of Finance.

## **Provision of information to auditor**

So far as the Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Michael Craig, Chair

22 September 2021

## **Independent Auditors Report**

### **Opinion**

We have audited the financial statements of Sight Scotland Veterans (“the charity”) for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### **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 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 related to going concern**

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

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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## **Independent Auditors Report (continued)**

### **Other information**

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

The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. The other information comprises the report of the trustees. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 (Scotland) Regulations 2006 require us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the report and financial statements or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Independent Auditors Report (continued)**

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees' 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Year ended 31 March 2021

*BDO LLP*

BDO LLP, statutory auditor  
Edinburgh, UK

Date: *19 OCTOBER 2021*

BDO LLP is eligible for appointment 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.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Year ended 31 March 2021

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Income from:</b>	<b>3</b>		
Donations and legacies		223	704
Charitable activities:			
Linburn Centre		100	-
Hawkhead Centre		71	-
Outreach and member services		34	-
Let property		85	94
Total charitable activities		290	94
Sundry Income		228	-
Investments		<u>884</u>	<u>973</u>
<b>Total</b>		<b><u>1,625</u></b>	<b><u>1,771</u></b>
<b>Expenditure on:</b>	<b>4</b>		
Raising funds		(-)	(5)
Charitable Activities:			
Linburn Centre		1,185	1,421
Hawkhead Centre		1,135	1,242
Outreach and member services		1,875	1,954
Let property		278	208
Financial support to members		678	760
Grant giving to other charities		50	104
Total charitable activities		5,201	5,689
Other		<u>-</u>	<u>-</u>
<b>Total</b>		<b><u>5,201</u></b>	<b><u>5,684</u></b>
Net (expenditure) before investment (losses)/gains		<u>(3,576)</u>	<u>(3,913)</u>
Net gains /(losses) on investments		<u>8,343</u>	<u>(3,965)</u>
Net surplus		<u>4,767</u>	<u>(7,878)</u>
<b>Other recognised gains and losses</b>			
Actuarial (loss) on defined benefit pension scheme	<b>10</b>	<u>(109)</u>	<u>(56)</u>
<b>Net movement in funds</b>		<b><u>4,658</u></b>	<b><u>(7,934)</u></b>
<b>Reconciliation of funds:</b>			
Total Funds at 31 March 2020		<u>57,159</u>	<u>65,093</u>
<b>Total Funds at 31 March 2021</b>	<b>11</b>	<b><u>61,817</u></b>	<b><u>57,159</u></b>

All amounts relate to continuing operations. All funds are unrestricted.

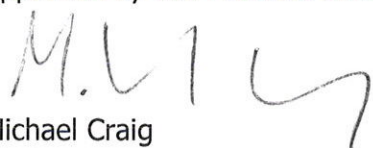
The notes on page 25 to 39 form part of these financial statements.

Year ended 31 March 2021

**BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	2021 £000	2020 £000
<b>Fixed Assets</b>			
Tangible assets	<b>6</b>	14,727	15,125
Investments	<b>7</b>	<u>46,168</u>	<u>41,745</u>
Total fixed assets		60,895	56,870
<b>Current Assets</b>			
Debtors	<b>8</b>	217	314
Cash at Bank and in Hand		<u>1,044</u>	<u>451</u>
Total current assets		1,261	765
<b>Liabilities</b>			
Creditors: amounts falling due within one year	<b>9</b>	<u>(339)</u>	<u>(476)</u>
Net Current Assets		<u>922</u>	<u>289</u>
<b>Net Assets excluding pension liability</b>		<u>61,817</u>	<u>57,159</u>
Defined benefit pension scheme liability	<b>10</b>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		<u>61,817</u>	<u>57,159</u>
<b>Represented by</b>			
<b>Unrestricted Funds</b>			
General fund	<b>11</b>	55,270	58,692
Investment reserve	<b>11</b>	6,547	(1,533)
Pension reserve	<b>10</b>	<u>-</u>	<u>-</u>
Total unrestricted funds		<u>61,817</u>	<u>57,159</u>
<b>Total Funds</b>		<u>61,817</u>	<u>57,159</u>

Approved by the Trustees and signed on their behalf



Michael Craig  
Chair  
22 September 2021

The notes on page 25 to 39 form part of these financial statements.



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**

	<b>2021</b> £000	<b>2020</b> £000
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>		
Net (expenditure) as per the SOFA	4,767	(7,878)
<b>Adjustments for:</b>		
(Gain)/Loss on investments	(8,344)	3,965
(Gain)/Loss on sale of fixed assets	(34)	10
Adjustment to pension costs	(57)	(9)
Depreciation charges	527	547
Decrease/(increase) in debtors	97	363
(Decrease)/increase in creditors	(135)	(30)
Interest and dividends	(884)	(973)
Pension scheme deficit recovery	(51)	(34)
<b>Net cash used in operating activities</b>	<u>(4,114)</u>	<u>(4,039)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	885	977
Purchase of property, plant and equipment	(146)	(149)
Proceeds from sale of property, plant & equipment	50	3
Proceeds from sale of investments	4,448	6,955
Purchase of investments	(530)	(3,789)
<b>Net cash provided by investing activities</b>	<u>4,707</u>	<u>3,997</u>
<b>Change in cash and cash equivalents</b>	<u>593</u>	<u>(42)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>472</u>	<u>514</u>
Cash and cash equivalents at the end of the reporting period	<u>1,065</u>	<u>472</u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	1,044	451
Cash held for investment	<u>21</u>	<u>21</u>
<b>Total cash and cash equivalents (note 15)</b>	<u>1,065</u>	<u>472</u>

The notes on page 25 to 39 form part of these financial statements

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

### **1 PRINCIPAL ACCOUNTING POLICIES**

Sight Scotland Veterans, which commenced operations on 1 April 2017, is a Scottish Charitable Incorporated Organisation. The address of the office registered with OSCR is given on the legal and administrative information page and the nature of charity's operations and its principal activities are set out in the Report of the Trustees.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)" effective 1 January 2015.

Sight Scotland Veterans constitutes a public benefit entity as defined by FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Trustees to exercise judgement in applying the charity's accounting policies, as shown in note 2 below.

The functional and presentational currency is GBP. The financial statements have been rounded to the nearest thousand.

#### **a) Accounting Conventions**

The financial statements are prepared on the historical cost basis of accounting modified by the revaluation of investments. The financial statements are prepared on an accruals basis. The Trustees have reviewed the charity's financial position and have concluded that there are sufficient resources to manage any operational or financial risks, so that it is reasonable to expect that Sight Scotland Veterans will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

#### **b) Going Concern**

COVID-19 was declared a pandemic in March 2020 and this has led to a radical but temporary change to our operations. We immediately closed our two day centres in order to protect our staff and members and due to the relatively poor health and vulnerability of our members, it may be some considerable time before we feel that it is safe to re-open them. Many of our centre staff were placed on furlough and this will continue while the scheme is available to us.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PRINCIPAL ACCOUNTING POLICIES (continued)**

Our Outreach staff have continued to provide services to members by keeping in regular telephone contact with them in order to help prevent them falling into loneliness and isolation. This service will continue until we are in a position to meet members again and re-start our programme of reunions which have all had to be cancelled for the coming year.

Sight Scotland Veterans does not rely on direct income to supply our services to veterans and instead uses its own resources. This means that the charity is not adversely affected by any reduced income resulting from COVID-19. The Trustees have reviewed a financial forecast to March 2025 and have concluded that the charity continues to operate on a going concern basis.

c) **Income**

Donations and similar income are included in the year in which they are receivable, which is when the charity becomes entitled, receipt is probable and the amount can be measured reliably. Sales are accounted for in the period in which the sale occurred. Property lease rentals are accounted for in the period in which they are due. Dividends are accrued when our right to receive payment is established.

Legacies are recognised either at the point at which they are received or, if earlier, at the point at which their monetary value due to the charity can be estimated with reasonable accuracy and their receipt is probable.

d) **Expenditure**

Support costs are the costs charged by Sight Scotland for central administration including staff, maintenance and IT costs. Support costs are allocated on a relevant basis. Head Office costs and IT costs are allocated to the departments based on staff numbers.

Maintenance is allocated based on an estimate of the relative time involved for staff. Grants and donations made by the charity are charged when the Trustees have agreed to pay the grant.

e) **Tangible Fixed Assets**

Land is not depreciated. Heritable property is stated at cost less depreciation on a straight line method at varying rates between 10 and 50 years.

Plant and equipment, furniture and fixtures, I.T and vehicles are stated at cost less depreciation on the straight line method at various rates calculated to write them off over their estimated useful lives between three and 10 years. Items under £5,000 are not capitalised.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PRINCIPAL ACCOUNTING POLICIES (continued)**

Assets in the course of construction are not depreciated until the asset is fully completed and ready for use. Gains or losses on disposal are credited or charged to the Statement of Financial Activities.

f) **Investments**

Investments listed on a recognised stock exchange are stated at market value. All movements in value arising from investment changes or revaluations are shown in the Statement of Financial Activities and included with unrestricted funds. Gains and losses on disposal and revaluation of investments are credited or charged to the Statement of Financial Activities.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account and cash held with the investment manager.

h) **Fund Accounting**

The nature and purpose of each fund is explained in Note 11.

i) **Pension Costs**

The organisation, together with Sight Scotland, operates a defined benefit pension scheme. The assets are held separately from the two charities in an independently administered fund.

The Statement of Financial Activities is charged with the cost of providing pension benefits earned by employees in the period. The expected return on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in total recognised gains and losses.

Any accumulated pension scheme surplus or deficit determined on the Actuarial accounting basis specified above is included in the balance sheet. The reported surplus or deficit may differ from the funding position of the scheme as determined by a Triennial Valuation undertaken by the Trustees of the scheme.

There are a number of different methods used to estimate any surplus or deficit in Defined Benefit Pension Schemes.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**PRINCIPAL ACCOUNTING POLICIES (continued)**

The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 2021. This is a consistent basis for the preparation of these accounts.

The Scheme Actuary has however used a different basis of calculation in the triennial valuation as at 31 March 2019 and this indicated a deficit of £6.8Million on a Scheme funding basis and a deficit of £21.9Million on a solvency valuation basis. The Directors of Sight Scotland have reached agreement with the Trustees of the Pension Scheme whereby it will aim to eliminate the deficit by 31 August 2023 by the payment of annual contributions of £1Million plus an additional recovery payment of £4.5Million, paid on any occasion between 1 January 2021 and 30 June 2027. An additional top-up payment is to be paid by 31 July 2023, so that the total cumulative payments in the period 1 July 2020 to 30 June 2023 are no less than £4.8Million. These additional contributions have been included in the stress testing carried out when reviewing the impact of the uncertainties caused by COVID-19.

The organisation also makes contributions to a group personal pension plan. These contributions are charged to the Statement of Financial Activities in full as they fall due.

**j) Financial instruments**

Under FRS 102, financial assets and financial liabilities are given the technical term "financial instruments", and we are required to indicate how these are recognised and measured in the financial statements. Ours are all basic financial instruments and are treated according to well established accounting convention. An analysis is given in note 13.

**2 JUDGEMENTS AND ESTIMATES**

The preparation of these financial statements has required the Trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts. The areas involving a degree of judgement significant to the view given by these statements are:

- Actuarial assumptions in respect of the defined benefit pension scheme. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 10.
- Tangible fixed assets, as mentioned in (e) above, are depreciated over a period intended to reflect their estimated useful lives.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

- The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Tangible fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

**3 INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>a) Donations and legacies</b>		
Legacies	181	596
Other donations and grants	<u>42</u>	<u>108</u>
Statement of Financial Activities	<u>223</u>	<u>704</u>
<b>b) Charitable activities</b>		
Outreach and member services: Gain on disposal of fixed assets	34	-
Linburn Centre: Intercompany recharge for services to Sight Scotland	100	-
Hawkhead Centre: Intercompany recharge for services to Sight Scotland	71	-
Let property:		
Rental Income	<u>85</u>	<u>94</u>
	<u>290</u>	<u>94</u>
<b>c) Sundry Income</b>		
Furlough claims	228	-
<b>d) Investments</b>		
Dividends	884	972
Bank interest	<u>-</u>	<u>1</u>
Statement of Financial Activities	<u>884</u>	<u>973</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****4 EXPENDITURE**

	<b>Activities undertaken directly £000</b>	<b>Activities undertaken directly £000</b>	<b>Support Costs £000</b>	<b>Support Costs £000</b>	<b>Total £000</b>	<b>Total £000</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Raising funds</b>						
Investment managers fees	-	(5)	-	-	-	(5)
<b>Charitable activities</b>						
Linburn Centre	896	1,166	289	255	1,185	1,421
Hawkhead Centre	923	1,055	212	187	1,135	1,242
Outreach and member serv's	1,626	1,772	249	182	1,875	1,954
Let properties	238	170	40	38	278	208
Grant giving to organisations	50	104	-	-	50	104
<b>Financial support to members</b>						
Direct cost	635	717	-	-	635	717
Administration	35	36	8	7	43	43
<b>Total</b>	<b>670</b>	<b>753</b>	<b>8</b>	<b>7</b>	<b>678</b>	<b>760</b>
<b>Total charitable activities</b>	<b>4,403</b>	<b>5,020</b>	<b>798</b>	<b>669</b>	<b>5,201</b>	<b>5,689</b>
<b>Total Expenditure</b>	<b>4,403</b>	<b>5,015</b>	<b>798</b>	<b>669</b>	<b>5,201</b>	<b>5,684</b>

Support costs of £798,000 (2020, £669,000) include a £671,000 (2020, £545,000) charge paid to Sight Scotland which covers management, finance, human resources, IT, facilities management and marketing, and Governance costs of £17,000 (2020, £15,000). Governance costs include external audit fees of £10,500 (2020, £10,200). Other support costs of £125,000 (2020, £124,000) include direct marketing, report costs and administrative expenses.

Year ended 31 March 2021

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

A grant of £50,000 was paid to the Foresight Consortium bid led by Action against Age-related Macular Degeneration, involving the Royal College of Surgeons and the University of Edinburgh.

<b>5 STAFF NUMBERS AND COSTS</b>	<b>2021</b>	<b>2020</b>
	£000	£000
Wages and salaries	1,940	1,792
Social security costs	146	157
Pension contributions	147	138
Adjustment to FRS102 basis	15	25
Pension costs	<u>162</u>	<u>163</u>
Total staff costs	<u>2,248</u>	<u>2,112</u>

The average weekly number of employees, calculated as full time equivalents and headcount, during the period was:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>FTE</b>	<b>Head</b>	<b>FTE</b>	<b>Head</b>
Managers	4	4	5	5
Linburn Centre	19	24	17	21
Hawkhead Centre	19	23	19	24
Outreach Service	23	25	19	20
Administration	<u>4</u>	<u>5</u>	<u>7</u>	<u>8</u>
	<u>69</u>	<u>81</u>	<u>67</u>	<u>78</u>

No remuneration has been paid to any Trustee or member of committee or Council in respect of their duties. No expenses were paid to a Trustee (2020, £362). One employee received emoluments exceeding £60,000.

Two members of staff are regarded by the Trustees as being "Key Management" as defined in FRS102, these being the Chief Executive and Director of Services, Sight Scotland Veterans. The Chief Executive is also Chief Executive of Sight Scotland, which pays the full remuneration and recovers the cost of Sight Scotland Veterans' portion through the management charge. The total remuneration of the Chief Executive for work with both charities and that of the Head of Sight Scotland Veterans, including national insurance and pension contributions, totalled £196,000, (2020, £189,000).



**NOTES TO THE FINANCIAL STATEMENTS (continued)****6 TANGIBLE FIXED ASSETS**

	Heritable property £000	Furniture, equipment £000	Vehicles £000	Total £000
<b>Cost</b>				
Balance at 1 April 2020	15,406	359	711	16,476
Additions	54	9	83	146
Disposals	-	-	(192)	(192)
31 March 2021	<u>15,460</u>	<u>368</u>	<u>602</u>	<u>16,430</u>
<b>Accumulated depreciation</b>				
Balance at 1 April 2020	920	158	273	1,351
Charge for year	367	53	107	527
Disposals	-	-	(175)	(175)
31 March 2021	<u>1,287</u>	<u>211</u>	<u>205</u>	<u>1,703</u>
<b>Net book value</b>				
31 March 2021	<u>14,173</u>	<u>157</u>	<u>397</u>	<u>14,727</u>
31 March 2020	<u>14,486</u>	<u>201</u>	<u>438</u>	<u>15,125</u>

Included in heritable property is:

- land, which is not subject to a depreciation charge, £1,465,000 (2020, £1,465,000)
- capital work in progress, £0 (2020, £442,642).
- let properties, cost £1,562,000, accumulated depreciation £253,162 (2020, £218,581), net book value £1,310,485 (2020, £1,345,066).

**NOTES TO THE FINANCIAL STATEMENTS (continued)****7 INVESTMENTS**

	<b>2021</b>	<b>2020</b>
	£000	£000
Market value as at 1 April 2020	41,724	48,855
Additions at cost	530	3,789
Disposals at opening book value	<u>(3,918)</u>	<u>(6,788)</u>
	38,336	45,856
Change in market value in the year	<u>7,811</u>	<u>(4,132)</u>
Market value as at 31 March 2021	46,147	41,724
Cash held for investment	<u>21</u>	<u>21</u>
Total investments	<u>46,168</u>	<u>41,745</u>
Investments held at cost	39,601	43,278
Cash held for investment	<u>21</u>	<u>21</u>
Cost as at 31 March 2021	<u>39,622</u>	<u>43,299</u>

The market value represents:

Investments listed on a recognised  
stock exchange

United Kingdom

Rest of world

37,127

9,020

46,147

Five Investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £9,663,000 (2020, £9,263,000)

The Partners Fund valued at £13,648,000 (2020, £10,826,000)

Henderson Multi Asset Credit Fund valued at £9,611,000 (2020, £9,393,000)

Legal and General International Index Trust valued at £9,020,000 (2020, £7,950,000)

Aberdeen Unit Trust Managers Charities Property Fund valued at £3,310,000 (2020, £3,366,000)

All investments are held to provide an investment return.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****8 DEBTORS**

	<b>2021</b>	<b>2020</b>
	£000	£000
Prepayments	37	32
Accrued income	178	278
Other debtors	<u>2</u>	<u>4</u>
	<u>217</u>	<u>314</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	£000	£000
<b>Amounts Falling Due Within One Year</b>		
Suppliers	80	15
Accruals	24	100
Due to HMRC	36	51
Due to Sight Scotland	<u>199</u>	<u>310</u>
	<u>339</u>	<u>476</u>

**10 PENSION COSTS**

The organisation, together with Sight Scotland, operates an externally funded contributory retirement benefit scheme for employees. Contributions from the employer, as determined by a qualified independent actuary, are charged to the Statement of Financial Activities over their working lives with the organisation.

The latest full actuarial valuation was conducted as at 1 April 2019 by a qualified independent actuary which showed the scheme to be 14% underfunded on an ongoing basis.

There are a number of different methods used to estimate any surplus or deficit in Defined Benefit Pension Schemes. The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 2021. This is a consistent basis for the preparation of these accounts.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 PENSION COSTS (continued)

The Scheme Actuary has however used a different basis of calculation in the triennial valuation as at 31 March 2019 and this indicated a deficit of £6.8Million on a Scheme funding basis and a deficit of £21.9Million on a solvency valuation basis. Subsequently the Trustees of Sight Scotland have reached agreement with the Trustees of the Pension Scheme whereby substantial monthly recovery payments will be made until 2027, along with additional one-off lump sum payments in order to address the deficit. These additional contributions have been included in the stress testing carried out when reviewing the impact of the uncertainties caused by COVID-19.

The Scheme closed to further accrual in November 2020 and therefore no employer costs, other than the deficit recovery payments, will be made to the scheme.

The major assumptions used by the Actuary were as follows:

	<b>at 31 March 2021</b>	<b>at 31 March 2020</b>
Inflation	2.7%	2.0%
Salary increases	3.2%	2.5%
Expected return on investments pre-retirement	5.2%	5.2%

The total payments to the scheme for the year amounted to £50,000 (2020, £62,000). We estimate that payments to the scheme in the year to 31 March 2022 will be £100,000, all of which will be deficit recovery contributions.

The fund has been valued in accordance with the requirements of FRS102 by Audrey Hay of JLT/Mercer on 10 June 2021. The actuarial valuation of the fund and any potential liabilities, and the assumptions made by the Directors as the basis of the valuation, are shown below.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****10 PENSION COSTS (continued)**

<b>Assumptions</b>	<b>at 31 March 2021</b>	<b>at 31 March 2020</b>
Discount rate	2.2%	2.3%
Retail price inflation	3.5%	2.8%
Consumer price inflation	2.7%	2.0%
Salary increase rate	3.2%	2.5%
Pension increases (Limited Price Indexation)		
- RPI maximum 5%	3.3%	2.7%
- RPI maximum 5% minimum 3%	3.8%	3.5%
Deferred pension revaluation	2.5%	2.0%

The actuary has used the CPI assumption for future deferred pension revaluation.

assuming retirement in 2021, life expectancies in years based on the mortality assumption used are as follows:

	<b>at 31 March 2021</b>	<b>at 31 March 2020</b>
For a male retiring in 2021	20.5	20.5
For a male retiring in 2041	22.2	22.2
For a female retiring in 2021	22.5	22.5
For a female retiring in 2041	24.4	24.3

<b>Assets</b>	<b>31 Mar 2021</b>		<b>31 Mar 2020</b>	
	<b>£000</b>	<b>%</b>	<b>£000</b>	<b>%</b>
Invested assets	<u>3,687</u>	<u>100</u>	<u>3,301</u>	<u>100</u>
Total	<u>3,687</u>	<u>100</u>	<u>3,301</u>	<u>100</u>

<b>Liability and Funded Status at 31 March</b>	<b>2021 £000</b>	<b>2020 £000</b>
Fair value of plan assets	3,687	3,301
Value of funded oblig'ns	(2,683)	(2,658)
Restriction of surplus	<u>(1,004)</u>	<u>(643)</u>
Surplus/(Deficit)	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****10 PENSION COSTS (continued)**

	<b>2021</b>	<b>2020</b>
<b>The charge to the Statement of Financial Activities</b>	<b>£000</b>	<b>£000</b>
Service cost	15	25
Benefit changes	-	-
Net interest expense	<u>(2)</u>	<u>(6)</u>
Total included in employer expense	<u>13</u>	<u>19</u>
 <b>Analysis of the change in the defined benefit obligation</b>		
Opening defined benefit obligation	2,658	3,054
Current service cost	15	25
Interest on obligation	59	68
Losses / (gains) due to benefit changes	-	-
Actuarial (gains)	130	(336)
Benefits paid	<u>(179)</u>	<u>(153)</u>
	<u>2,683</u>	<u>2,658</u>
 <b>Analysis of the change in fair value of plan assets</b>		
Opening fair value of plan assets	3,301	3,243
Expected return on assets	75	74
Actuarial gains	368	75
Contributions	122	62
Benefits paid	<u>(179)</u>	<u>(153)</u>
	<u>3,687</u>	<u>3,301</u>
 <b>Analysis of actuarial gains/(losses)</b>		
	<b>2021</b>	<b>2020</b>
	<b>£000's</b>	<b>£000's</b>
Asset return (less interest income recognised in the SOFA)	368	75
Experience gain/(losses) on benefit obligation	9	(15)
Effect of assumptions changes on benefit obligation	(139)	351
Restriction of defined pension asset	<u>(347)</u>	<u>(467)</u>
Total actuarial losses	<u>(109)</u>	<u>(56)</u>

Year ended 31 March 2021

**NOTES TO THE FINANCIAL STATEMENTS (continued)****10 PENSION COSTS (continued)**

	2021	2020
<b>History of Experience Gains and Losses</b>		
Difference between the asset return and the interest income recognised in the SOFA	368	75
- as % of scheme assets	10%	2%
Experience gains/(losses) on obligation	9	(15)
- as % of liabilities	0%	1%
Total amount recognised in the SOFA (2019,72)	(109)	71
- as % of liabilities	7%	3%

From 1 April 2006 the defined benefits scheme was closed to new members. A group personal pension plan is provided for employees who are not members of the defined benefits scheme to which auto-enrolment applies.

**11 UNRESTRICTED FUNDS**

	General Fund £000 2021	General Fund £000 2020	Inv'ment Reserve £000 2021	Inv'ment Reserve £000 2020	Pension Reserve £000 2021	Pension Reserve £000 2020	Total £000 2021
Balance at 31 March	<u>58,692</u>	<u>61,979</u>	<u>(1,533)</u>	<u>3,114</u>	-	-	<u>57,159</u>
Net (expenditure) / before other recognised gains	4,658	(7,934)		-	-	-	4,658
Pension deficit recovery	(50)	(34)		-	50	34	-
Adjustment to Pension Reserve	50	34		-	(50)	(34)	-
Investment disposals, gains and losses	(8,080)	4,647	8,080	(4,647)	-	-	-
Actuarial gain					-	-	
Balance at 31 March 2021	<u>55,270</u>	<u>58,692</u>	<u>6,547</u>	<u>(1,533)</u>	-	-	<u>61,817</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****12 CONNECTED ORGANISATION**

The Trustees of Sight Scotland Veterans are the Directors of the Sight Scotland Asylum and School, Edinburgh, operating as Sight Scotland. Each is a separate charity having its own funds and properties. Sight Scotland provided administrative services for which a fee was paid, as shown within support costs in note 4. At the balance sheet date a balance was due to Sight Scotland amounting to £199,000 (2020, £310,000). The total value of transactions between the two organisations was £612,000 (2020, £578,000) and this consisted of administrative, maintenance and marketing support.

**13 FINANCIAL INSTRUMENTS**

	<b>2021</b>	<b>2020</b>
	£000's	£000's
<b>Financial assets</b>		
Financial assets measured at fair value	46,147	41,724
Financial assets measured at amortised cost	<u>1,244</u>	<u>754</u>
	<u>47,391</u>	<u>42,478</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>303</u>	<u>425</u>

Financial assets measured at fair value are listed investments. Financial assets measured at amortised cost include cash at bank, accrued income and other debtors. Financial liabilities measured at amortised cost comprise suppliers and accruals, grants payable and the amount payable to Sight Scotland.

**14 CAPITAL COMMITMENT**

At 31 March, there is no capital commitment (2020, £90,000).

**15 NET DEBT RECONCILIATION**

	1 April 2020	Cash Flows	31 March 2021
Cash and cash equivalents	<u>472</u>	<u>593</u>	<u>1,065</u>