

Sight Scotland Veterans

(Previously known as Scottish War Blinded)

Annual Report and Accounts for the year to 31 March 2020

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

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Year ended 31 March 2020

LEGAL AND ADMINISTRATIVE INFORMATION

Sight Scotland Veterans was previously Scottish War Blinded, which 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 from 4 December 2019)

Gwenn McCreath (Chair, resigned 4 December 2019)

Kate Cherry (Vice-Chair, resigned 4 December 2019)

Jamie Cuthbertson *

Patsy Gillies (resigned 4 December 2019)

Derek Howie

Michelle McWilliams

Michael Martin

James Milhench

Robert Mooney

Graeme Bold

Mike Boorman (resigned 13 January 2020)

Professor Baljean Dhillon *

Jay Hogarty

Aidan McCorry

Ian McGregor*(Vice Chair from 25 March 2020)

Stephanie Phillips

Mike Donnelly (appointed 4 December 2019)

Elizabeth Porterfield (appointed 4 December 2019)

* Members of the War Blinded Committee

Other members of the War Blinded Committee

Group Captain (rtd.) Philip Cox

Chief Executive and Secretary – Mark O'Donnell

Principal Office - 50 Gillespie Crescent, Edinburgh, EH10 4JB

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, 3rd Floor, 65 Haymarket Terrace, Edinburgh, EH12 5HD

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

Year ended 31 March 2020

Objectives

Our current **statement of purpose**: 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 to evolve our available 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

Michael Craig reflects on his first year as our Chair

Sight Scotland Veterans is a charity steeped in history, offering support to all those who have sight loss and who have served their country. I am honoured to become the new Chair.

Many of these men and women provided an invaluable service to their country and we are proud to be able to support them.

At the time of writing, the services normally available to members have changed due to the Covid-19 pandemic. Our teams are working creatively to ensure veterans are supported remotely, and continue to feel connected during this very difficult time.

This annual review is an opportunity to reflect on what has been achieved in the past year, both by those we support and by the team working with them. 2019 was a year of growth for the charity as we continued to increase the numbers of veterans engaging with the support we offer.

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I am particularly encouraged by the work of the charity's policy team over the last year in ensuring that the voices of veterans are heard. The work being done aims to influence decision-makers to develop policies and services which improve the lives of veterans with sight loss. I look forward to seeing this develop further over the coming year.

Sight Scotland Veterans is in a strong financial position thanks to the foresight and generosity of people who over many years have recognised the worth of this vital charity and left a gift in their will. This generosity has played a crucial role in helping the charity be where it is today. I hope the development of our two centres and our Scotland-wide outreach service is a fitting legacy to all those who thought of us in life and supported us in their passing.

Thank you.

Chief Executive's Statement, Mark O'Donnell Reflecting on the year

The veterans who are supported by Sight Scotland Veterans became some of the most vulnerable people in society upon the outbreak of the Coronavirus pandemic. I am immensely proud of how quickly the team adapted their offerings and services to ensure we met the needs of our members at this vital time.

As our centres had to close and our home visits had to cease due to the pandemic, my colleagues immediately improvised by providing phone calls to all members offering support, practical advice and signposting to local provisions. As I write, this support continues to go on.

As I reflect on the year past, I am delighted that Sight Scotland Veterans now supports veterans in every local authority area in Scotland. We expanded our reach in the Highlands with the addition of new members in Shetland and a Practice Lead to cover the Highlands area and further develop services and membership growth.

Many of the veterans we support face additional challenges, most frequently the impact of ageing, such as dual sensory loss. I am proud of all our colleagues who go above and beyond on a regular basis to help make veterans' lives brighter and more independent.

As we strive to give visually impaired veterans hope for the future, we continued investing in medical research into age-related macular degeneration- the most common cause of sight loss amongst those we support.

I very much look forward to the time we can welcome all the veterans back to our centres and our outreach team can once again offer face-to-face support. We are doing all we can to ensure this will be done in a safe and timely way. At the same

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time we are working hard to make sure as a charity we can continue to adapt and develop to reach and meet the needs of all those who need us.

The support we offer helps to make a positive difference to the lives of veterans, helping them to face sight loss with determination and confidence, and I look forward to supporting both staff and members on their continued journey.

Thank you.

Report of the Trustees

Our people, structure and governance

The Trustees have pleasure in presenting their report for the year ended 31 March 2020. 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

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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 for the War Blinded, an unincorporated charity.

The charity is governed by its Trustees, who hold their position ex officio, as the Directors of the Royal Blind Asylum and School, Edinburgh, operating as Sight Scotland, a separate charity (Charity number SC017167) having its own objectives, funds and properties.

Sight Scotland Veterans operates with its own activities, funds and properties, but is managed together with Sight Scotland, though they are financially separate, have different charitable objectives and neither organisation exerts control over the other. The Sight Scotland Directors have been appointed as Trustees of Sight Scotland Veterans in line with the terms of its constitution and are aware of 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 the same for 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 for their charity in line with authority delegated to them by the Chief Executive. Board meetings and Committee meetings have been reconstituted for 2020-21 to allow Trustees to focus on strategic issues. 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.

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.

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A Corporate Committee and an Audit Committee are in place, covering both charities. A Remuneration Committee, consisting of the Chair, the Vice Chairs and the Finance Convener, oversees the operation of the Remuneration Policy and determines the remuneration of the Chief Executive, who was appointed in June 2017. The operational activities of Sight Scotland Veterans are overseen by the War Blinded 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 the organisation is delegated to the staff, headed by the Chief Executive. The Chief Executive and other Head Office management are employed by Sight Scotland and their duties cover both organisations. Each service has a defined management structure and a manager accountable for it who reports to the Director of Sight Scotland Veterans, who in turn reports to the Chief Executive. We use the term “member” to describe those who are eligible and willing to receive services and support from us and are known to us. 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. One Trustee was paid expenses of £362. The Trustees benefit from trustee indemnity insurance arranged by Sight Scotland.

People

Four Board Members stepped down during 2019/20. Gwenn McCreath, Kate Cherry and Patsy Gillies all stepped down on 4 December 2019, and Mike Boorman stepped down on 13 January 2020. Mike Donnelly and Elizabeth Porterfield were both appointed on 4 December 2019. The Board would like to thank all of its former Members for their hard work and commitment over the years.

Our continued fight against Covid-19

The Coronavirus pandemic meant we have closed our two activity centres as part of the lockdown restrictions currently in place. Our Outreach service is also very limited, but our staff are in regular contact with members by telephone in order to reassure them and avoid loneliness. At this time it is unknown how long this situation will remain in place. Some of our staff have been furloughed and there are likely to be cost savings as a result of the temporary closure of the centres.

Should a second wave of the pandemic hit, we know we are in a good place to respond and ensure that the safety of our members and staff remain our priority. Our staff are highly skilled and trained in caring for members.

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Our performance, activities and achievements

Outreach Service

Every veteran who engages with Sight Scotland Veterans benefits from our outreach service. 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.

The outreach team work with our members to solve challenges, and link them with other local services who offer specialist help.

At the end of March 2020, the team had expanded to have 17 staff members. A new management role was also created to support and lead the team in the North of Scotland.

Lunch groups increased to 27 regular groups meeting across the country. There was an increase in trips and activities, from visits to museums, castles and gardens to walking groups, golf and archery, as well as a range of other social events.

The support each member benefits from is tailored to their own aspirations and needs, and therefore varies hugely from individual to individual.

Charles

Royal Artillery veteran, Charles, has been a member since 2008, having developed optic neuritis after a long period of illness.

The former gunner receives one-to-one tailored support from one of our outreach workers for Dundee and Angus, Carole Martin, and is a regular attendee of the monthly lunch group she hosts in Arbroath.

Lead Rehabilitation Officer, Sandra Taylor, has provided him with advice and support in long cane use, and the charity has also given him specialist equipment to help him maintain his independence at home, including anti-glare glasses and a CCTV reader – an electronic magnifier that enables him to read newspapers and documents.

Charles worked across the country as a HGV driver for two decades after leaving the Armed Forces, but was forced to say goodbye to his much-loved driving career due to his sight loss. Knowing how much he missed life on the road, in 2019 outreach worker Carole organised a special outing to a local haulage company for Charles so that he could re-live fond memories.

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Accompanied by Carole, Charles was given a personal tour around David Murray Transport in Carnoustie. Over the moon to be back on familiar ground, he was also treated to a trip out to Arbroath in the passenger seat of a HGV.

Charles said of the experience: "I was excited to come along to David Murray Transport. Years ago I even drove for David Murray for two weeks while he was in hospital to help him out. In doing that, it was the start of my career too.

"My sight is very poor now. I was last in a lorry about 14 years ago. I was very surprised but really humbled that Carole had arranged this visit for me, as I do really miss the lorries. I just liked being on the road, seeing different things and places every day. I thoroughly enjoyed being a HGV driver. Even if I see a lorry now or hear one, I just wish I was back on the road. It gets me down.

"We got to look around and it was lovely to sit in a HGV again. It brought back memories. Thank you very much to Carole and Wendy at David Murray Transport for organising this. It was a very special day."

Charles very much enjoyed sharing pictures and tales of his outing with his friends at his local lunch group.

Rehabilitation

Sight Scotland Veterans members benefit from our specialist rehabilitation service, either at home or at one of our centres.

The team provide:

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

During the year the rehabilitation team grew to meet the increased demand for their services. A fifth professionally qualified Rehabilitation Officer joined the team, and a Lead Rehabilitation Officer role was created to manage the team and bring leadership and additional expertise to the service as it grows.

During 2019-20 we supplied specialist equipment to assist with sight loss to 873 members (up from 791 last year).

Many who receive items and training report that the effect of having the right equipment has been life-changing, allowing them to read, cook and get about independently often for the first time in many months.

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Jim

World War Two veteran, Jim, has reconnected with his Royal Navy heritage thanks to Sight Scotland Veterans' rehabilitation team.

Jim served in Gibraltar working on the signalling tower and then in contraband control with the Royal Navy Patrol Service for two-and-a-half years. He then undertook minesweeping duties in the Bristol and English Channels until he was demobbed in 1946.

Jim has macular degeneration and has always kept in touch with his Navy roots and was frustrated to find his sight condition was making it difficult to read his monthly Navy News magazine.

But since becoming a member of Sight Scotland Veterans in 2019, Jim has been receiving support from our expert rehabilitation officers. Now kitted out with an Optelec Traveller HD video magnifier – a portable, lightweight device that can zoom in on text and change colour contrast to suit reader requirements – Jim is delighted to be enjoying his Navy memorabilia once more.

Jim said: "I have a black spot in the centre of my eye that I can't see with, but I can get a picture in my peripheral vision. In my right eye I have cataracts.

"I was trying to use a handheld magnifier to read and I was struggling for ages until it ended up tiring my eyes. Now that I've got the Traveller with the stand I can read the Navy News again. The magnifier's perfect for me, I'm enjoying it. It's been a lifesaver. I get a lot of letters so it helps me to read those too."

Rehabilitation Officer, Fiona McCormick, assessed Jim at home, and worked closely with him to establish the ideal specialist equipment to help him maintain his independence – including the Traveller HD and specialist portable lighting. All were provided free of charge to Jim.

Jim said: "Fiona's been very good. She came to visit me at home with a range of pieces of equipment to try out and the support I've been receiving from her has been lovely. I can't fault it.

"Sight Scotland Veterans have also set me up with the Freedom LED lamp, I think it's brilliant. The brighter it is, the better it is for my sight. I have a smaller one too. I use that for smaller work, it complements some handheld magnifiers I have.

"The charity also gave me suitable anti-glare glasses to help when the sun is out. I just think all the help I'm getting is brilliant. Some of this equipment can be quite expensive, but the charity is helping me with it for free. The support and access to specialist equipment is important because it gives you more interests in your life.

"I hope my sight doesn't get worse, but I know Sight Scotland Veterans will have things to help me if it does."

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Our centres

We 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, among others, have held clinics at the centres over the last year. Particularly popular in 2019-20 was work done by Music in Hospitals and Care, who attended both centres to provide music sessions and write songs with our members.

Jim and David

Veterans Jim and David are regular attendees at the Linburn Centre in West Lothian.

At the activity hub, Jim and David, who both have the sight condition macular degeneration, were introduced to Synapptic technology – specialist software for people with a visual impairment. The software allows them to use tablets and smartphones, with standard screen and keypad use now a struggle due to their sight levels.

The charity has provided a Synapptic tablet for Jim and Synapptic smartphone for David, as well as digital skills training at the centre's IT suite, free of charge.

Royal Air Force veteran, Jim, said: "I was given my Synapptic tablet about three months after I started attending the centre and it's been a new world for me.

"I had never used the internet before going to the Linburn Centre. Now I can look up all the football results, get the news, use it to take pictures of family, check on the weather reports, find recipes, and I can use it as a magnifier. I'm also using it for social media to keep in touch with my family and friends, it really is fantastic.

"I find Synapptic software quite easy to use. It helps me to feel much more connected, without a doubt. It's an essential piece of equipment for me now. It's been life changing to me. Brian, the IT instructor at the Linburn Centre, has been excellent in training me. I've had all the support anyone could need."

David, who served National Service with the Royal Electrical & Mechanical Engineers (REME), was introduced to Synapptic technology by one of the charity's rehabilitation officers, Sharon McAllister. He finds Synapptic devices particularly useful for downloading talking books.

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He explained: “It was something I could do and I thought it was fantastic. You can ask it [Synapptic software] any questions and it can tell you the answers. It was a new way of engaging.

“The facilities and support at the Linburn Centre are first class. Learning to use this technology has changed my life a lot. Being able to text and make a call gives you some independence. When you want to find a contact, Synapptic technology will read the names out to you, you don’t have to find it and read it. That’s a big thing when you have sight loss.

“Digital training and access to these devices for people with sight loss is more important than most people realise. It all makes life completely different.”

In addition to their newfound tech skills, the two veterans also enjoy local outings run by the centre officers and making new connections.

Jim and David have both even been tutoring fellow veterans at the centre to help them get to grips with Synapptic technology.

David said: “I was keen to help introduce Synapptic technology to other veterans, and I was one of the first to start doing this at the Linburn Centre. I’d taught a night school class on motor maintenance for ten years so I had a wee bit of teaching experience. I feel like I’m giving something back too by helping out. Helping others makes me feel useful again.”

Jim added: “I’d found it quite easy to learn thanks to Brian, and wanted to help others. Who would have thought I would even be teaching others about digital technology? It’s a good feeling to pass on what I’ve learned.”

Agnes

Agnes served with the Queen Alexandra’s Royal Army Nursing Corps (QARANC) in the late 1960s. She was diagnosed with dementia when she was 57 years old and has neurological sight loss as a result of the condition.

Agnes says the support she receives from Sight Scotland Veterans has been a huge boost to her confidence, empowering her to reclaim everyday skills that had been made difficult as a result of her sight loss.

She said: “My sight loss is neurological and not physiological. My vision fluctuates depending on the time of day and how well I am. I have issues with depth perception, distortion of what I do see and I get double vision. My peripheral field is very narrowed and I suffer from Charles Bonnet syndrome, so I hallucinate, seeing facial distortion and various other things. This becomes more marked when I’m tired.

“Before I joined, I was finding things like crossing the road were a huge challenge. I was always covered in bruises due to having difficulties with spatial awareness. It

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was causing me distress and I desperately needed rehabilitation to learn how to safely cross the road or go up and down stairs.

“I’ve been getting long cane training from Katrina Campbell, one of the charity’s rehabilitation officers, so that I’m not afraid to use my long cane.

“The rehabilitation team are great at providing training. The team never tell me I can’t do something. Instead, they look at how they can support me to do it safely.”

Agnes also regularly attends the charity’s Hawkhead Centre in Paisley – an experience that she says has been life changing.

She said: “The staff are so flexible, and they understand. They give me support specific to me and are happy to do it again and again until I remember. I’ve been re-empowered to use equipment in the kitchen and to travel again through the charity’s training and support.

“Us veterans help each other come to terms with sight loss. I really benefit from seeing others using different bits of equipment or techniques to overcome day-to-day issues.

“Attending the Hawkhead Centre has been transforming. It’s given me confidence and the camaraderie has been life changing. I feel totally accepted as me: not Agnes with dementia, just Agnes.

“Sight Scotland Veterans is like family. It will change your whole perspective. It’s the best thing that ever happened to me.”

Events

This year we held 13 reunion lunch events across Scotland, an increase from the nine held in 2018. The lunches were attended by 340 members, plus their guests, up from 257 the previous year.

The Northern Gathering was held for a second time, following the popularity of the previous year’s inaugural event. It hosted members and their guests from Aberdeen and Aberdeenshire, as well as the Highlands and Moray.

The Gathering- the annual conference and social event- was once again held at the Golden Jubilee Conference Hotel in Clydebank, and as in previous years it was oversubscribed. This year 117 members (up from 104 last year), plus their guests, enjoyed the afternoon and evening of information stands and socialising, followed by a variety of speakers the next morning. Many were first time attendees at this event, with 44% of those attending not having been at the previous year’s Gathering.

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Trips

As in the previous year, we offered two trips away for members. After two years of trips to UK military-based sites, it was decided to arrange another European battlefield visit. This proved extremely popular, with 30 members and family members attending and able to visit major monuments such as the Menin Gate, the Yorkshire trench, Beaumont Hamel, Thiepval, Vimy Ridge and the Lochnagar crater.

Following a successful visit to London in 2018 to march in the Remembrance Day parade, a second trip was arranged in 2019. This time 17 members from all over Scotland took part (up from 12 last year). The weekend included a visit to the Imperial War Museum on the Saturday and the moving experience of the Remembrance Day parade on the Sunday.

Holiday cottage

The Gardener's Cottage on the Linburn estate continues to provide popular breaks for members and their families. It has been designed to be fully accessible and sight impairment friendly, and feedback from those who use it continues to be excellent. Many stay to access all that the centre can offer and repeat visits for some are now common.

A new challenge for veterans

The summer of 2019 saw veterans across Scotland take the challenge to collectively walk 500 miles; an idea first suggested by a fellow veteran.

More than 100 took part. Many joined their outreach workers in walking groups, others exercised individually and many walked together at the centres. The target was completed in the first week of the challenge, and over six weeks 9,000 miles was walked, with all participants receiving medals and certificates.

Medical research

In 2019 we were delighted to provide funding of £100,000 to the 'Foresight Consortium' bid led by Action Against AMD and involving the Royal College of Surgeons of Edinburgh, Sight Scotland and the University of Edinburgh.

The funding will go towards the 'High Street AI' project which aims to harness the power of artificial-intelligence led analysis of, retrospective and prospective, patient imaging data that is held in Scottish optometry.

It is hoped that this project will result in:

- Better, faster more accurate diagnosis for Age-related macular degeneration (AMD).

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- Possible significant breakthroughs in understanding of markers of the disease at different stages, with the potential to accelerate cure and prevention of AMD.
- Possible significant valuable insights into other eye conditions, neurological conditions and wider health issues which eye health can be a marker of.
- Potential major long-term relief on secondary care ophthalmology services in NHS Scotland.

External affairs

Marketing and communications

During the year the marketing team focused their efforts on preparing for the charity to start its new chapter. In the latter half of 2020 the organisation will launch a new brand which will reflect our new strategic direction, as we aim to reach more veterans with sight loss across Scotland.

Policy

Our Policy team has engaged with veterans with visual impairments to find out what matters most to them, and worked with them to make the case for positive change for people living with sight loss.

In July we welcomed the Minister for Veterans, Graeme Dey MSP, to the Linburn Centre to announce a change to the process for registering for a Certificate of Vision Impairment which means that people applying will now be asked if they have ever served in the armed forces, including national service. We are delighted the Scottish Government agreed to this change following our campaign and this means veterans applying for a Certificate of Vision Impairment will now be given information about Sight Scotland Veterans.

We also highlighted in the media our research into the emotional impact of sight loss for veterans, and we spoke at the Unforgotten Forces conference on the work of the charity in tackling loneliness and isolation.

Employment Practices at work

Safeguarding

Safeguarding continues to be of the highest priority for all staff across all our services. A member of the Executive Team assumes corporate responsibility for this key consideration. As of the year-end our safeguarding policy was in the process of being updated and will include a mandatory e-learning course for all staff.

In addition to this, all frontline colleagues complete enhanced training modules. A robust mechanism for reporting of any safeguarding concerns is in place.

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Volunteering

Following on from the introduction of the Volunteer Development Manager position and the launch of our volunteer programme in early 2019, we now have an active and varied volunteering programme. Opportunities include befriending, outreach, and driving.

We are expanding the number and variety of opportunities we can offer throughout our organisation. We are working towards the Investing in Volunteers accreditation, a status to help ensure that our volunteers have high-quality experiences with us, and that we can make the very most of their contributions.

Gender Pay Gap

The Sight Scotland Veterans Gender Pay Gap Report shows that in April 2020 on average women were paid more than men: our mean gender pay gap was negative at -25.1% (2019,-23.9%), and our median gender pay gap was negative at -19.8% (2019,-36.2%) This is because there are more women occupying senior roles than men. We recognise however that our staff numbers in Sight Scotland Veterans are very low overall, so even small fluctuations can have a significant impact on our gender pay gap. Our figures compare favourably to the ONS statistics, which show a national gender pay gap for Scotland (2019) at 13.3% (mean) and 14.3% (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.

Our policy on reserves, pension and risk

Risk Management

The Trustees assess the major risks that may 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 of 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 as a result of Covid-19.

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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.

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. The equity portfolio will also be seen as covering contingencies, so long as it is deemed large enough even after a fall in values.
- 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 active 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 equity 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

Year ended 31 March 2020

- 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
 - 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

The organisation operates a Defined Benefit pension scheme which was closed to new members in March 2006. A Group Personal Pension plan operates from April 2006 to which auto-enrolment applies. During 2019/20 Sight Scotland Veterans moved to a salary sacrifice defined contribution scheme with Royal London.

Reserves Policy

The charity's 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 £57.2 million, all unrestricted as to their purpose. Of that £57.2 million, £15.1 million can only be realised by disposing of tangible fixed assets and £41.7 million is in investments. Our free reserves are therefore £0.4 million but our investments of £41.7 million (2019, £48.9 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 six months running costs (currently £2.8 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.

Year ended 31 March 2020

Our Financial Review

Income is shown in total at £1.8 million, derived mainly from investments and legacies. Income from legacies at £596,000 is showing a reduction from last year's receipts of £928,000, which was an exceptional year. Investment income was £973,000 (2019, £1.1 million)

Expenditure at the Linburn Centre was slightly higher than last year at £1.4 million (2019, £1.3million), reflecting staff salary increases as they move through their pay scales. Financial support to members continues to decrease as we lost some of our more long-standing members in the last year. Total expenditure was £760,000 (2019, £784,000).

The Hawkhead Centre in Paisley has shown increased expenditure with some new posts being filled. Total expenditure is £1.2 million (2019, £1.1 million). The centre continues to be very popular and has seen the membership number grow during the year.

The Outreach Service has grown during the year by reaching more members with support and information. We have taken on additional staff to reach our new members and expenditure has risen from £1.6 million to almost £2 million.

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 £3.9 million. This is in line with our strategy to utilise our reserves for the benefit of members and developing innovative services for them.

Losses in the value of the investments totalled £4.0 million, with losses being made across all of our investment instruments as gains made during the year were reversed due to the markets responding to the Covid-19 pandemic. We have drawn from our investments during the year to sustain both capital and revenue expenditure and we aim to continue to reduce our reserves overall in the coming year.

The overall result (Net movement in funds) is a reduction of £7.9 million.

The balance sheet shows tangible fixed assets of £15.1 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 £42 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

Year ended 31 March 2020

Going Concern (continued)

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

9 December 2020

Year ended 31 March 2020

Independent Auditors Report

Opinion

We have audited the financial statements of Sight Scotland Veterans (“the charity”) for the year ended 31 March 2020 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 2020 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
- 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.

Year ended 31 March 2020

Independent Auditors Report (continued)

Other information

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.

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.

Year ended 31 March 2020

Independent Auditors Report (continued)

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.

BDO LLP, statutory auditor
Edinburgh, UK
Date: 14 December 2020



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 2020

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 £000 | 2019 £000 |
|--|-----------|----------------|----------------|
| Income from: | 3 | | |
| Donations and legacies | | 704 | 1,112 |
| Charitable activities: | | | |
| Linburn Centre | | - | - |
| Hawkhead Centre | | - | - |
| Outreach and member services | | - | - |
| Let property | | 94 | 94 |
| Total charitable activities | | 94 | 94 |
| Investments | | <u>973</u> | <u>1,060</u> |
| Total | | <u>1,771</u> | <u>2,266</u> |
| Expenditure on: | 4 | | |
| Raising funds | | (5) | - |
| Charitable Activities: | | | |
| Linburn Centre | | 1,421 | 1,336 |
| Hawkhead Centre | | 1,242 | 1,071 |
| Outreach and member services | | 1,954 | 1,638 |
| Let property | | 208 | 198 |
| Financial support to members | | 760 | 784 |
| Grant giving to other charities | | 104 | 123 |
| Total charitable activities | | 5,689 | 5,150 |
| Other | | <u>-</u> | <u>-</u> |
| Total | | <u>5,684</u> | <u>5,150</u> |
| Net (expenditure) before investment (losses)/gains | | <u>(3,913)</u> | <u>(2,884)</u> |
| Net (losses)/gains on investments | | <u>(3,965)</u> | <u>1,507</u> |
| Net (expenditure) | | <u>(7,878)</u> | <u>(1,377)</u> |
| Other recognised gains and losses | | | |
| Actuarial (loss) on defined benefit pension scheme | 10 | <u>(56)</u> | <u>(30)</u> |
| Net movement in funds | | <u>(7,934)</u> | <u>(1,407)</u> |
| Reconciliation of funds: | | | |
| Total Funds at 31 March 2019 | | <u>65,093</u> | <u>66,500</u> |
| Total Funds at 31 March 2020 | 11 | <u>57,159</u> | <u>65,093</u> |

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

The notes on page 28 to 40 form part of these financial statements.

Year ended 31 March 2020

BALANCE SHEET AS AT 31 MARCH 2020

| | Notes | 2020 £000 | 2019 £000 |
|--|-------|---------------|---------------|
| Fixed Assets | | | |
| Tangible assets | 6 | 15,125 | 15,536 |
| Investments | 7 | <u>41,745</u> | <u>48,876</u> |
| Total fixed assets | | 56,870 | 64,412 |
| Current Assets | | | |
| Debtors | 8 | 314 | 681 |
| Cash at Bank and in Hand | | <u>451</u> | <u>493</u> |
| Total current assets | | 765 | 1,174 |
| Liabilities | | | |
| Creditors: amounts falling due within one year | 9 | <u>(476)</u> | <u>(493)</u> |
| Net Current Assets | | <u>289</u> | <u>681</u> |
| Net Assets excluding pension liability | | <u>57,159</u> | <u>65,093</u> |
| Defined benefit pension scheme liability | 10 | <u>-</u> | <u>-</u> |
| Net Assets | | <u>57,159</u> | <u>65,093</u> |
| Represented by | | | |
| Unrestricted Funds | | | |
| General fund | 11 | 58,692 | 61,979 |
| Investment reserve | 11 | (1,533) | 3,114 |
| Pension reserve | 10 | <u>-</u> | <u>-</u> |
| Total unrestricted funds | | <u>57,159</u> | <u>65,093</u> |
| Total Funds | | <u>57,159</u> | <u>65,093</u> |

Approved by the Trustees and signed on their behalf



Michael Craig
Chair
9 December 2020

The notes on page 28 to 40 form part of these financial statements.

Year ended 31 March 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 |
|--|----------------|----------------|
| | £000 | £000 |
| Reconciliation of net income/expenditure to net cash flow from operating activities | | |
| Net (expenditure) as per the SOFA | (7,878) | (1,377) |
| Adjustments for: | | |
| Loss on investments | 3,965 | (1,507) |
| Loss on sale of fixed assets | 10 | - |
| Adjustment to pension costs | (9) | 5 |
| Depreciation charges | 547 | 527 |
| Decrease/(increase) in debtors | 363 | (554) |
| (Decrease)/increase in creditors | (30) | 48 |
| Interest and dividends | (973) | (1,060) |
| Pension scheme deficit recovery | (34) | (34) |
| Net cash used in operating activities | <u>(4,039)</u> | <u>(3,952)</u> |
| Cash flows from investing activities | | |
| Dividends, interest and rents from investments | 977 | 1,056 |
| Purchase of property, plant and equipment | (149) | (561) |
| Proceeds from sale of property, plant & equipment | 3 | - |
| Proceeds from sale of investments | 6,955 | 3,750 |
| Purchase of investments | <u>(3,789)</u> | <u>(541)</u> |
| Net cash provided by investing activities | <u>3,997</u> | <u>3,704</u> |
| Change in cash and cash equivalents | <u>(42)</u> | <u>(248)</u> |
| Cash and cash equivalents at the beginning of the reporting period | <u>514</u> | <u>762</u> |
| Cash and cash equivalents at the end of the reporting period | <u>472</u> | <u>514</u> |
| Analysis of cash and cash equivalents | | |
| Cash at bank and in hand | 451 | 493 |
| Cash held for investment | <u>21</u> | <u>21</u> |
| Total cash and cash equivalents (note 15) | <u>472</u> | <u>514</u> |

The notes on page 28 to 40 form part of these financial statements

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 FRS102.

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.

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.

Year ended 31 March 2020

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

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.

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.

Year ended 31 March 2020

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

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. 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 2020. 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.

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 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.

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)**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. 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

| | 2020 | 2019 |
|--|-------------|--------------|
| | £000 | £000 |
| a) Donations and legacies | | |
| Legacies | 596 | 928 |
| Other donations and grants | <u>108</u> | <u>184</u> |
| Statement of Financial Activities | <u>704</u> | <u>1,112</u> |
| b) Charitable activities | | |
| Outreach and member services: Gain on disposal of fixed assets | - | - |
| Let property: | | |
| Rental Income | <u>94</u> | <u>94</u> |
| | <u>94</u> | <u>94</u> |
| c) Investments | | |
| Dividends | 972 | 1,060 |
| Bank interest | <u>1</u> | <u>-</u> |
| Statement of Financial Activities | <u>973</u> | <u>1,060</u> |

Year ended 31 March 2020

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

| | Activities undertaken directly £000 2020 | Activities undertaken directly £000 2019 | Support Costs £000 2020 | Support Costs £000 2019 | Total £000 2020 | Total £000 2019 |
|-------------------------------------|---|---|--|--|--------------------------------|--------------------------------|
| Raising funds | | | | | | |
| Investment managers fees | <u>(5)</u> | - | - | - | <u>(5)</u> | - |
| Charitable activities | | | | | | |
| Linburn Centre | 1,166 | 1,132 | 255 | 204 | 1,421 | 1,336 |
| Hawkhead Centre | 1,055 | 954 | 187 | 117 | 1,242 | 1,071 |
| Outreach and member serv's | 1,772 | 1,400 | 182 | 238 | 1,954 | 1,638 |
| Let properties | 170 | 167 | 38 | 31 | 208 | 198 |
| Grant giving to organisations | 104 | 123 | - | - | 104 | 123 |
| Financial support to members | | | | | | |
| Direct cost | 717 | 730 | - | - | 717 | 730 |
| Administration | 36 | 45 | 7 | 9 | 43 | 54 |
| Total | <u>753</u> | <u>775</u> | <u>7</u> | <u>9</u> | <u>760</u> | <u>784</u> |
| Total charitable activities | <u>5,020</u> | <u>4,551</u> | <u>669</u> | <u>599</u> | <u>5,689</u> | <u>5,150</u> |
| Total Expenditure | <u>5,015</u> | <u>4,551</u> | <u>669</u> | <u>599</u> | <u>5,684</u> | <u>5,150</u> |

Support costs of £669,000 (2019, £599,000) include a £545,000 (2019, £485,000) charge paid to Sight Scotland which covers management, finance, human resources, IT, facilities management and marketing, and Governance costs of £15,000 (2019, £20,000). Governance costs include external audit fees of £10,200 (2019, £9,300). Other support costs of £124,000 (2019, £115,000) include direct marketing, report costs and administrative expenses.

A grant of £100,000 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.

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 5 STAFF NUMBERS AND COSTS | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 1,792 | 1,513 |
| Social security costs | 157 | 133 |
| Pension contributions | 138 | 86 |
| Adjustment to FRS102 basis | 25 | 45 |
| Pension costs | <u>163</u> | <u>131</u> |
| Total staff costs | <u>2,112</u> | <u>1,777</u> |

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

| | 2020 | 2020 | 2019 | 2019 |
|------------------|-------------|-------------|-------------|-------------|
| | FTE | Head | FTE | Head |
| Managers | 5 | 5 | 4 | 5 |
| Linburn Centre | 17 | 21 | 17 | 21 |
| Hawkhead Centre | 19 | 24 | 16 | 20 |
| Outreach Service | 19 | 20 | 15 | 16 |
| Administration | <u>7</u> | <u>8</u> | <u>7</u> | <u>8</u> |
| | <u>67</u> | <u>78</u> | <u>59</u> | <u>70</u> |

No remuneration has been paid to any Trustee or member of committee or Council in respect of their duties. Expenses totalling £362 were paid to one Trustee (2019, £18). No 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 £189,000, (2019, £181,000).

Year ended 31 March 2020

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

| | Heritable property £000 | Furniture, equipment £000 | Vehicles £000 | Total £000 |
|---------------------------------|-------------------------------|---------------------------------|------------------|---------------|
| Cost | | | | |
| Balance at 1 April 2019 | 15,329 | 356 | 739 | 16,424 |
| Additions | 77 | 3 | 69 | 149 |
| Disposals | - | - | (97) | (97) |
| 31 March 2020 | <u>15,406</u> | <u>359</u> | <u>711</u> | <u>16,476</u> |
| Accumulated depreciation | | | | |
| Balance at 1 April 2019 | 570 | 99 | 219 | 888 |
| Charge for year | 350 | 59 | 138 | 547 |
| Disposals | - | - | (84) | (84) |
| 31 March 2020 | <u>920</u> | <u>158</u> | <u>273</u> | <u>1,351</u> |
| Net book value | | | | |
| 31 March 2020 | <u>14,486</u> | <u>201</u> | <u>438</u> | <u>15,125</u> |
| 31 March 2019 | <u>14,759</u> | <u>257</u> | <u>520</u> | <u>15,536</u> |

Included in heritable property is:

- land, which is not subject to a depreciation charge, £1,465,000 (2019, £1,465,000)
- capital work in progress, £442,462 (2019, £203,000).
- let properties, cost £1,562,000, accumulated depreciation £218,581 (2019, £184,000), net book value £1,345,066 (2018, £1,378,000).

7 INVESTMENTS

| | 2020 £000 | 2019 £000 |
|------------------------------------|---------------|---------------|
| Market value as at 1 April 2019 | 48,855 | 50,569 |
| Additions at cost | 3,789 | 541 |
| Disposals at opening book value | (6,788) | (3,732) |
| | 45,856 | 47,378 |
| Change in market value in the year | (4,132) | 1,477 |
| Market value as at 31 March 2020 | 41,724 | 48,855 |
| Cash held for investment | 21 | 21 |
| Total investments | <u>41,745</u> | <u>48,876</u> |
| Investments held at cost | 43,278 | 45,741 |
| Cash held for investment | 21 | 21 |
| Cost as at 31 March 2020 | <u>43,299</u> | <u>45,762</u> |

Year ended 31 March 2020

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

The market value represents:

Investments listed on a recognised
stock exchange

| | | |
|----------------|---------------|---------------|
| United Kingdom | 33,774 | 42,376 |
| Rest of world | <u>7,950</u> | <u>6,479</u> |
| | <u>41,724</u> | <u>48,855</u> |

Five Investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £9,263,000 (2019, £10,702,000)

The Partners Fund valued at £10,826,000 (2019, 14,698,000)

Henderson Multi Asset Credit Fund valued at £9,393,000 (2019, £12,429,000)

Legal and General International Index Trust valued at £7,950,000 (2019, £6,479,000)

Aberdeen Unit Trust Managers Charities Property Fund valued at £3,366,000 (2019, £3,453,000)

All investments are held to provide an investment return.

8 DEBTORS

| | 2020 | 2019 |
|----------------|-------------|-------------|
| | £000 | £000 |
| Prepayments | 32 | 21 |
| Accrued income | 278 | 660 |
| Other debtors | <u>4</u> | <u>-</u> |
| | <u>314</u> | <u>681</u> |

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|--|-------------|-------------|
| | £000 | £000 |
| Amounts Falling Due Within One Year | | |
| Suppliers | 15 | 27 |
| Accruals | 100 | 133 |
| Due to HMRC | 51 | 37 |
| Due to Sight Scotland | <u>310</u> | <u>296</u> |
| | <u>476</u> | <u>493</u> |

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)**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% under-funded 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 2020. 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. 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 employer's contribution has been 28% from 1st April 2017 and will increase to 32.1% from 1 April 2020. The employees' contribution is at a rate of 5%. The major assumptions used by the Actuary were as follows:

| | at 31 March 2020 | at 31 March 2019 |
|---|---------------------------------|---------------------------------|
| Inflation | 2.0% | 2.5% |
| Salary increases | 2.5% | 3.0% |
| Expected return on investments pre-retirement | 5.2% | 5.2% |

The total payments to the scheme for the year amounted to £62,000 (2018, £66,000) and included £34,000 of exceptional contribution made to address the estimated pension scheme deficit. We estimate that payments to the scheme in the year to 31 March 2021 will be £59,000, which will include £34,000 in deficit recovery contributions.

The fund has been valued in accordance with the requirements of FRS102 by Scottish Widows in May 2020. The actuarial valuation of the fund and any potential liabilities, and the assumptions made by the Trustees as the basis of the valuation, are shown below.

Year ended 31 March 2020

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

| Assumptions | at 31 March 2020 | at 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Discount rate | 2.3% | 2.5% |
| Retail price inflation | 2.8% | 3.5% |
| Consumer price inflation | 2.0% | 2.5% |
| Salary increase rate | 2.5% | 3.0% |
| Pension increases (Limited Price Indexation) | | |
| - RPI maximum 5% | 2.7% | 3.3% |
| - RPI maximum 5% minimum 3% | 3.5% | 3.8% |
| Deferred pension revaluation | 2.0% | 2.5% |

The actuary has used the CPI assumption for future deferred pension revaluation, assuming retirement in 2020, life expectancies in years based on the mortality assumption used are as follows:

| | at 31 March 2020 | at 31 March 2019 |
|-------------------------------|-----------------------------|-----------------------------|
| For a male retiring in 2020 | 20.5 | 21.2 |
| For a male retiring in 2040 | 22.2 | 23.4 |
| For a female retiring in 2020 | 22.5 | 23.3 |
| For a female retiring in 2040 | 24.3 | 25.6 |

| Assets | 31 Mar 2020 | | 31 Mar 2019 | |
|-----------------|--------------------|------------|--------------------|------------|
| | £000 | % | £000 | % |
| Invested assets | <u>3,301</u> | <u>100</u> | <u>3,243</u> | <u>100</u> |
| Total | <u>3,301</u> | <u>100</u> | <u>3,243</u> | <u>100</u> |

Liability and Funded

| Status at 31 March | 2020 | 2019 |
|---------------------------|--------------|--------------|
| | £000 | £000 |
| Fair value of plan assets | 3,301 | 3,243 |
| Value of funded oblig'ns | (2,658) | (3,054) |
| Restriction of surplus | <u>(643)</u> | <u>(189)</u> |
| Surplus/(Deficit) | <u>-</u> | <u>-</u> |

The charge to the Statement of Financial Activities

| | 2020 | 2019 |
|------------------------------------|-------------|-------------|
| | £000 | £000 |
| Service cost (Original 2019, 36) | 25 | 36 |
| Benefit changes | - | 9 |
| Net interest expense | <u>(6)</u> | <u>(3)</u> |
| Total included in employer expense | <u>19</u> | <u>42</u> |

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)**10 PENSION COSTS (continued)****Analysis of the change in the defined benefit obligation**

| | | |
|---|--------------|--------------|
| Opening defined benefit obligation | 3,054 | 3,031 |
| Current service cost | 25 | 36 |
| Interest on obligation | 68 | 74 |
| Losses / (gains) due to benefit changes | - | 9 |
| Actuarial (gains) | (336) | 82 |
| Benefits paid | <u>(153)</u> | <u>(178)</u> |
| | <u>2,658</u> | <u>3,054</u> |

Analysis of the change in fair value of plan assets

| | | |
|-----------------------------------|--------------|--------------|
| Opening fair value of plan assets | 3,243 | 3,119 |
| Expected return on assets | 74 | 77 |
| Actuarial gains | 75 | 154 |
| Contributions | 62 | 71 |
| Benefits paid | <u>(153)</u> | <u>(178)</u> |
| | <u>3,301</u> | <u>3,243</u> |

| | 2020 | 2019 |
|--|---------------|---------------|
| | £000's | £000's |
| Analysis of actuarial gains/(losses) | | |
| Asset return (less interest income recognised in the SOFA) | 75 | 154 |
| Experience losses on benefit obligation | (15) | (4) |
| Effect of assumptions changes on benefit obligation | 351 | (78) |
| Restriction of defined pension asset | <u>(467)</u> | <u>(102)</u> |
| Total actuarial losses | <u>(56)</u> | <u>(30)</u> |

History of Experience Gains and Losses

| | 2020 | 2019 |
|--|-------------|-------------|
| Difference between the asset return and the interest income recognised in the SOFA | 75 | 154 |
| - as % of scheme assets | 2% | 5% |
| Experience gains/(losses) on obligation | (15) | (4) |
| - as % of liabilities | 1% | 0% |
| Total amount recognised in the SOFA (2019,72) | 71 | 72 |
| - as % of liabilities | 3% | 2% |

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.

Year ended 31 March 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)**11 UNRESTRICTED FUNDS**

| | General Fund | General Fund | Inv'tment Reserve | Inv'tment Reserve | Pension Reserve | Pension Reserve | Total |
|---|-------------------------|-------------------------|------------------------------|------------------------------|----------------------------|----------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Balance at 31 March | <u>61,979</u> | <u>65,393</u> | <u>3,114</u> | <u>1,107</u> | <u>-</u> | <u>-</u> | <u>65,093</u> |
| Net (expenditure) / before other recognised gains | (7,934) | (1,407) | - | - | - | - | (7,934) |
| Pension deficit recovery | (34) | (34) | - | - | 34 | 34 | - |
| Adjustment to Pension Reserve | 34 | 34 | - | - | (34) | (34) | - |
| Investment disposals, gains and losses | 4,647 | (2,007) | (4,647) | 2,007 | - | - | - |
| Actuarial gain | - | - | - | - | - | - | - |
| Balance at 31 March 2020 | <u>58,692</u> | <u>61,979</u> | <u>(1,533)</u> | <u>3,114</u> | <u>-</u> | <u>-</u> | <u>57,159</u> |

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 £310,000 (2019, £297,000). The total value of transactions between the two organisations was £578,000 (2019, £528,000) and this consisted of administrative, maintenance and marketing support.

NOTES TO THE FINANCIAL STATEMENTS (continued)**13 FINANCIAL INSTRUMENTS**

| | 2020 | 2019 |
|--|---------------|---------------|
| | £000's | £000's |
| Financial assets | | |
| Financial assets measured at fair value | 41,724 | 48,855 |
| Financial assets measured at amortised cost | <u>754</u> | <u>1,174</u> |
| | <u>42,478</u> | <u>50,029</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>425</u> | <u>456</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 a capital commitment of £90,000 for work on the Legion Building at Linburn (2019, £120,000)

15 NET DEBT RECONCILIATION

| | 1 April 2019 | Cash Flows | 31 March 2020 |
|------------------------------|-----------------|---------------|------------------|
| Cash and cash equivalents | <u>514</u> | <u>(42)</u> | <u>472</u> |