



The Royal Blind Asylum and School, Edinburgh

Report and Financial Statements

Year ended 31 March 2019

Scottish Charity Number: SC017167

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Royal Blind is the operating name of The Royal Blind Asylum and School, Edinburgh, Scottish Charity Number SC017167.

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

President His Grace The Duke of Buccleuch and Queensberry, K.B.E.

Vice President

The Hon. Mrs Janet Buchanan-Smith, C.B.E.

Board of Directors

Elected by Contributors

Gwenn McCreath (Chair)

Kate Cherry (Vice-Chair)

David Johnston (Vice-Chair) – (Resigned 5 Dec 18)

Michael Craig

Jamie Cuthbertson

Patsy Gillies

James Law – (Resigned 5 Dec 18)

J Grant Macrae – (Resigned 5 Dec 18)

Michelle McWilliams

Michael Martin

Sandra Warburton (Resigned 4 April 2018)

Graeme Bold (Appointed 5 December 2018)

Jay Hogarty (Appointed 5 December 2018)

Aidan McCorry (Appointed 5 December 2018)

Ian McGregor (Appointed 5 December 2018)

Stephanie Phillips (Appointed 5 December 2018)

Appointed by Public Bodies

Dawn Burrows - Edinburgh Merchant Company (Resigned 10 Oct 2018)

Mike Boorman (Appointed 5 December 2018) – Edinburgh Merchant Company

Professor Baljean Dhillon (Appointed 5 December 2018) – University of Edinburgh

Robert Mooney - Scottish Trade Union Congress

Derek Howie – City of Edinburgh Council

James Milhench - Scottish Council of the National League of the Blind and Disabled

Chief Executive and Secretary

Mark O'Donnell - Chief Executive

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

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report for the year ended 31 March 2019. This report is prepared in accordance with the Royal Charter of Incorporation and the recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities and complies with applicable law.

Directors' Responsibilities

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

Charity law requires the Directors 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 Directors 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 Directors 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 Directors 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 Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

REPORT OF THE DIRECTORS (continued)
Structure, governance and management (continued)

Structure, governance and management

Royal Blind is a charity registered in Scotland tracing its origins back to 1793. In 1898 it was incorporated by Royal Charter and that charter, as supplemented in 1977, is its governing instrument.

Royal Blind is governed and directed by a Board of up to 19 Directors (who are the Trustees of the charity for the purposes of charity law), comprising 12 members elected by the qualified contributors (members who subscribe and contribute £2 or more for the year ended each 31 March) and seven who are appointed by other bodies. The Directors endeavour to ensure that they recruit to the Board members who are best suited to govern the charity. New members of the Board 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. Directors 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 Director. The Trustees benefit from Trustee indemnity insurance.

There are four main activities (education and childcare, adult services, older peoples' services and the production of documents in accessible formats) each of which is overseen by a committee of Directors and co-opted members. These committees have responsibility for oversight and detailed consideration of budgets, plans and decisions, which are then the subject of recommendation to the Board. There is also a Finance and General Purposes Committee, an Audit Committee and a Marketing, Fundraising and Communications Committee. 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 day to day management of the organisation is delegated to the staff, headed by the Chief Executive. Each operation has a defined management structure and a manager accountable for it.

The Directors are also Trustees of Scottish War Blinded, a Scottish Charitable Incorporated Organisation (SCIO) – a separate charity (charity number SC 047192) having its own objectives. 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. Scottish War Blinded operates with its own activities, funds and properties, but is managed together with Royal Blind, though they are financially separate, have different charitable objectives and neither organisation exerts control over the other. The 'Chief Executive' is simultaneously the Chief Executive of both Royal Blind and Scottish War Blinded.

REPORT OF THE DIRECTORS (continued) **Structure, governance and management (continued)**

The Directors remain Trustees of the Scottish National Institute for the War Blinded, which continues to exist in a dormant state with no assets or liabilities.

People

Several Board members stepped down during 2018/19. David Johnston, James Law and J Grant Macrae all stepped down on 5 December 2018, Dawn Burrows stepped down on 10 Oct 2018 and Sandra Warburton stepped down on 4 April 2018. Graeme Bold, Mike Boorman, Professor Baljean Dhillon, Jay Hogarty, Aidan McCorry, Ian McGregor and Stephanie Phillips, were all appointed on 5 December 2018. The Board would like to thank all of its former Board members for their hard work and commitment over the years.

In January 2019, Hawys Kilday was appointed to a new post of Director of Services and Stephen Coulter was appointed to a new post of Director of Corporate Services. These posts were created to further strengthen the management structure at Royal Blind.

OBJECTIVES AND ACTIVITIES

The objectives set down in the Royal Charter of Incorporation of 1898 are to promote the moral, religious, physical and mental welfare of the blind, to give education and industrial training to the juvenile blind, to provide employment for adult blind men and women, to supplement their earnings, supply clothing and aid them in sickness and old age, and to grant aid to indigent blind in all parts of Scotland.

The objectives are currently articulated in the charity's purpose, vision and mission statements as follows:

Our statement of **purpose**: Royal Blind provides services to blind and partially sighted (visually impaired/VI) children and adults which enable them to live without disadvantage. Our **vision** is to see a community in which blind and partially sighted people, including those who have other disabilities, are fully included and lead fulfilling lives. Our **mission** is to:

- Develop people's skills and resources for independent living
- Provide support and care to meet needs
- Support people to fulfil their aspirations
- Involve blind and partially sighted people as leaders, employees and supporters and in shaping and improving the services they receive
- Be innovative and add to the diversity of available services
- Provide written and spoken text in accessible formats

- Empower young people to become confident individuals, successful learners, effective contributors and responsible citizens

REPORT OF THE DIRECTORS (continued)
Objectives and Activities (continued)

- Enrich education and care provision in all education sectors in Scotland and beyond, enabling the fullest possible inclusion of vision impaired and multiply disabled pupils and students

Royal Blind's strategic objective is to sustain and improve the set of services the charity provides for the benefit of those who use them. Over the longer term, the aim is to find and take opportunities to grow and diversify services, as resources permit, to make a meaningful contribution to the lives of people with vision impairment in Scotland.

The **Royal Blind School** is a national grant-aided special school providing specialist education to children and young people with vision impairment, including those with additional support needs and multiple disabilities/complex needs. The current school roll is 27 pupils (2018, 28); ages range from 5 to 20.

We provide a safe, nurturing, enriching inclusive and appropriately challenging environment, in which every pupil is valued and supported to become a successful learner, confident individual, responsible citizen and effective contributor to society. The school is regulated by Education Scotland (HMIE) and by the Care Inspectorate and is located in Morningside, Edinburgh.

The curriculum and teaching methods are tailored to pupils' specific needs and include tuition in orientation, mobility and independent living skills (habilitation), Braille and assistive technology. Through the Curriculum for Excellence, we enable pupils to achieve learning outcomes which provide breadth, challenge and application of learning. By providing a range of activities focused on attainment, achievement and using interdisciplinary learning, we aim to maximise pupils' potential.

Pupils undertake courses and units of study accredited by the Scottish Qualifications Authority (SQA), the Award Scheme Development and Accreditation Network (ASDAN), the Junior Award Scheme Scotland, as well as participating in national competitions. Pupils have the opportunity to be involved in work experience in their final three years where appropriate. The school library holds a wide range of Braille, large print and audio books. Assistive technology resources and the school's transcription service ensure that all pupils receive their materials in the correct format.

A variety of customised residential patterns are offered, including weekly, termly and 52 week boarding as well as regular respite care. Pupils can also attend on a day-only basis.

Residential care is provided by fully trained and experienced care staff in houses near the school and on-site villas. Care and education staff work together to ensure that the pupils' social, communication and independent living skills are developed throughout the day and evenings in a variety of settings using a multi-disciplinary staff team.

REPORT OF THE DIRECTORS (continued) **Objectives and Activities (continued)**

We provide a free part time pre-school playgroup to which parents or carers bring children for early learning through structured play activities and benefit from using our hydrotherapy pool.

Our qualified teachers of the visually impaired (QTVIs) and Habilitation Specialists work closely with other agencies to provide post-graduate training for those working in vision impairment education.

The **East Lothian Vision Impairment Service (ELVIS)**, which began in August 2017, is delivered in conjunction with East Lothian Council. Specialist staff from the Royal Blind School work on the ground with staff across East Lothian's schools to support the effective education of children with vision impairment. The **Royal Blind Learning Hub** is a national resource centre supporting staff in mainstream schools who work with pupils with vision impairment. It operates on three levels: outreach to staff and pupils, face-to-face information and training and online learning.

Kidscene is our integrated after school and holiday club based at the Royal Blind School campus. We run our after school club weekdays during school term time. Our holiday clubs are open during the February, Easter, Summer and October school holidays. Our clubs are open to all children and we particularly welcome children with vision impairment and those with additional support needs.

Our **Adult Services** provide 24 hour care and support for young adults who have vision impairment and further support needs including cognitive and communication impairments. **Forward Vision** is a care service for young adults between the ages of 17 and 25 operating in three fully accessible bungalows, Katrine, Lomond and Morlich. The service has 14 spaces; we currently have 12 full time residents with our two remaining rooms being used for short breaks. Six young adults currently use the short break service. **Allermuir** is a small group home for four people in south Edinburgh providing the same services, activities and opportunities but with no upper age limit. The Directors are considering the upper age limit at Forward Vision. Our Adult Services are regulated by the Care Inspectorate.

Our **Older People's Services** provide Scotland's only specialist care/nursing home provision for older people with vision impairment. It comprises **Braeside House** care home in Liberton, Edinburgh, which provides purpose built accommodation for 70 residents. We provide very high standards of nursing care in a welcoming homely environment to the residents and their families. Our second care home, **Jenny's Well**, opened in Paisley in October 2017 and has a bed capacity of 54.

REPORT OF THE DIRECTORS (continued) **Objectives and Activities (continued)**

The **Scottish Braille Press** supplies braille, large print and audio media to a wide range of commercial customers, enabling access for vision impaired people to mainstream services such as banking and education.

Three of our largest customers are banks, and the exacting standards that they require the Press to meet in respect of production turnaround times, business continuity and data security ensure that we provide excellent customer service across all aspects of our business.

An important part of the Press's mission is to provide employment and work experience for people with vision impairment and other disabilities.

Royal Blind provides a scheme of grant funding for **research** projects in ophthalmology, which is operated through the Royal College of Surgeons, Edinburgh.

The aim of our **Marketing, Communications and Fundraising** activity is to communicate effectively with stakeholders, the public and donors in order to build external relationships, attract and retain service users and raise funds. We have a policy function to influence legislators on issues affecting our service users.

We provide **public benefit** through offering a wide range of services and support to members of the public with vision impairment.

ACHIEVEMENTS AND PERFORMANCE

The Royal Blind School

Royal Blind School pupils are encouraged to have a strong voice that is listened to and valued through our regular Pupil Forum meetings. Our inclusive approach ensures that positive friendships, peer support and increased social opportunities across the whole school community, are fostered and embedded in curricular activities and educational experiences.

In June 2018, there were seven school leavers with one S5 pupil leaving in September 2018 to return to a mainstream provision having been equipped with strategies, whilst attending the Royal Blind School, to support his vision impairment in his local school. Positive destinations for these pupils, beyond school, included taking up places at: University; Further Education College; supported accommodation and day/residential provision.

In September 2018 Education Scotland carried out an inspection and awarded the school an "Excellent" grade for Learning, Teaching and Assessment and a grade of "Very Good" for Raising Attainment and Achievement".

REPORT OF THE DIRECTORS (continued) **Achievements and performance (continued)**

The inspection team identified the following strengths in the school's work:

- The school has an outstanding positive learning environment where all children and young people are highly valued
- Staff know children and young people extremely well and work as a team to meet their individual needs very effectively in creative and flexible ways
- The school demonstrates very high expectations for all children and young people
- Children and young people are motivated through their high-quality learning experiences and their interactions with staff to achieve as well as they can

Key events across this year have included our annual Christmas Fayre, Christmas Show, Burns' Supper, Friends and Family Day, work experience placements, educational trips and educational outings as well as lunch and after school clubs and activities, which demonstrate a positive commitment to provide inclusive opportunities for our pupils within the wider community.

New pupils to the school have settled quickly and benefit from the expertise provided by a range of staff across all areas of the school. With a 'can do' attitude and expectation of success, pupils' self-confidence and self-belief flourishes and consequently attainment and achievement increases.

Staff members continue to be involved on national and international forums and attend international projects such as MDVI Euronet and Erasmus+. These provide opportunities to contribute to the field of vision impairment education, network with colleagues across a wide range of specialisms and learn about innovative practice from professionals from other countries.

The 52-week residential provision for children and young people continues to flourish and grow in demand and provides invaluable support to children and families outside of school term time. It remains a welcome addition to our services.

The Royal Blind School has once again been successful in tendering to be included on the list of providers used by Local Authorities for Children's Residential Care and Education Services including Short Breaks, scoring amongst the top providers in all the relevant domains.

Outreach for Pupils **East Lothian Vision Impairment Service (ELVIS)**

In July 2017, The Royal Blind School successfully tendered to deliver a vision impairment support service to children and young people in educational settings across East Lothian Council which has continued to be delivered during the year.

REPORT OF THE DIRECTORS (continued)
Achievements and performance (continued)

The service draws on the in-depth knowledge and experience of qualified teachers of vision impairment (QTVIs) across the Royal Blind School, as well as experienced education support staff, to provide a peripatetic outreach service to more than 50 pupils across the authority.

The East Lothian Vision Impairment Service (ELVIS) aims to support the successful inclusion of children and young people with vision impairment (VI) in their local communities, nurseries, mainstream and special schools. It works in partnership with children and young people with VI, parents/carers, schools, education/career services and allied health services to meet individual needs as identified through the assessment process.

Outreach for Staff/Stakeholders
The Royal Blind Learning Hub

The Royal Blind Learning Hub continues to expand and is an important and valued resource for professionals working in the field of vision impairment across Scotland and beyond.

There are now a total of 128 video resources online of which 86 are the Canaan Barrie signing catalogue and the remaining 42 cover a wide range of areas across the VI curriculum and specialised support. A video resource on National 2 level Craft, Design and Technology is in the editing process. The online Maths adaptation assessments have been accessed by 71 users and 24 completion certificates issued. Thirty people have accessed the Science assessment and 14 have completed the course. A new resource supporting the adaptation of Maths and Science exam questions is now live on the website.

Vision Impairment Awareness Raising courses were held in Perth, Glasgow and Edinburgh, with 43 attendees in total.

There has been engagement with Glasgow Academy, Glenalmond School, Orkney and the Western Isles with ongoing support anticipated. There has been discussion of VI teaching input into the new B Ed Primary teaching qualification at Queen Margaret University.

We will continue our active engagement with our mainstream colleagues and other stakeholders to engender growth of the service so that we can positively impact the field of vision impairment across Scotland.

Kidscene

At 31 March 2019 we had 59 children term time (58 at December 2018) and 60 holiday club users (58 at December 2018), a total of 119 children registered with the club.

REPORT OF THE DIRECTORS (continued)
Achievements and performance (continued)

This number includes only regular club users who have used our service within the last year.

Of the 59 term time children attending, nine have additional support needs, four of these children have a diagnosed vision impairment two attend the Royal Blind School.

Of the 60 holiday club users, 15 have additional support needs and of those seven have a vision impairment. Five of those seven are pupils of the Royal Blind School.

All five Royal Blind School pupils who attend Kidscene are staff intensive and require 1:1 staffing, four of those children require 2:1 support during any personal care, moving, and handling.

We were inspected by the Care Inspectorate over 2 days in February 2019. The inspector chose to inspect one day during the holiday club and one day during our after school club.

The Themes inspected this time were -;

Quality of Care and Support	Grade 5 Very Good
Quality of Staffing	Grade 5 Very Good

The children continue to make the most of the daily games and activities on offer, as well as using the sensory garden, sensory room, hydrotherapy pool and outdoor play areas.

During holiday clubs, we have themed activity weeks. This Easter the themes were 'Edinburgh' and 'Happy Easter', with children making Scott Monuments from recycled materials and enjoying our Easter egg hunt in the sensory garden.

Adult Services

Forward Vision continues to operate three houses, Katrine, Lomond and Morlich with capacity for 14 adults. At March 2019 we had 12 full time adults and the remaining 2 beds are used for short breaks.

Allermuir has four beds, all of which are filled by full time residents.

Residents participate in a range of activities including rebound and hydrotherapy sessions as well as going on outings to the Orcadia trampoline centre and the Salt Caves. Music is very popular, with residents attending sessions at "I muse", which utilises music through the computer by putting pressure on vibration plates, which move in time to the music.

REPORT OF THE DIRECTORS (continued) **Achievements and performance (continued)**

Residents have also attended lots of interesting events, with music concerts, theatre trips and the regular ATIK disco being popular.

One of our Allermuir residents has been going to the Scottish War Blinded Linburn Centre to do woodwork on a Thursday with the veterans. With support from the Linburn Centre's woodwork instructor, he has made several items for the garden at Allermuir.

We continue to provide learning placements for both HNC students and Learning Disability Nursing students. We also have a volunteer from Japan placed at Allermuir who helps the staff team to expand experiences for residents.

Our adult services have grown to capacity and as part of the Royal Blind strategic review we will explore the most viable and impactful options for the future development of adult services, including important questions of need, transitions, service model and geographical presence.

The additional support needs of many of our residents, e.g. autism and other disabilities, will continue to be an important area of development to ensure that we are providing truly tailored and person-centred care and support.

Older People

We run Scotland's only specialist care homes for older people with sight loss, Braeside House in Edinburgh and Jenny's Well in Paisley.

Braeside House operated at 96.2% capacity this year and the average length of stay was 1.25 years. A reflection of the level of frailty of the residents.

Braeside House has been chosen as a satellite care home for a project being launched by NHS Lothian and University of Edinburgh. The teaching/ research based care home project is a vision for a centre of excellence in older people's care, with local 'hubs' working in partnership. The aim is to change public and professional perceptions of care homes by creating an environment of care and compassion, enabling skills and knowledge development, where there is multi-partnership working, involving local communities, health and social care professionals, local educational establishments, local care homes, local and central government.

Jenny's Well has been open for 18 months and has established itself as a centre of excellence in the local area. There is now an embedded staff team who are committed in their approach to care.

Jenny's Well operated at 90.3% capacity this year. This was due to the home not being at full capacity until August 2018. The average length of stay was 6 months. A reflection of the frailty of the residents as well as the short period of time the home has been open.

REPORT OF THE DIRECTORS (continued) **Achievements and performance (continued)**

This year we have launched our Rights Made Real project in Jenny's Well, we received a grant of £20,000 from Life Changes Trust, to research and improve activity provision for those who have a vision impairment and dementia. This is a 2 year project and we aim to produce a helpful guide for use with other care providers.

The range of ages for the residents in both homes is 70-101 years, with the average age being 88.

Both homes have now been inspected under the new Health and Care Standards with Jenny's Well receiving an overall 4 (good) for their provision last August. Braeside House has been inspected but the finalised report has not been issued.

There is a busy social calendar in both homes. With the increase in capacity of our activity team the residents have been able to enjoy a much more varied programme of activity. Activities are led by residents' preferences and interests. At the moment we are introducing some of them to technology including using Alexa and iPads. They continue to enjoy outings, lunch clubs, quizzes, visits from the local nurseries, walking groups and concerts.

The Scottish Braille Press

The Scottish Braille Press enjoyed another record year achieving a total income of £3.36 million.

The biggest demand was again for large print, which accounts for 84% of our total sales, with braille accounting for 8.3% and audio 7.7%.

We have completed our first year in our new building at Robertson Avenue in Edinburgh. The new building provides a modern, comfortable working environment and has been much enjoyed and appreciated by all.

In September we achieved ISO 9001 and ISO 14001 certification. The ISO 9001 international standard is based on a number of quality management principles including a strong customer focus, the process approach and continual improvement. ISO 14001 is the international standard that specifies requirements for an effective environmental management system. These now sit alongside our ISO 27001 Information Security Management standard, Cyber Essentials and Payment Card Industry Data Security Standard (PCI DSS) compliance and further demonstrate our commitment to quality and data security.

We are delighted to have achieved these accreditations and they further demonstrate our ability and commitment to consistently provide products and services that meet not only our own regulatory requirements but those of our clients as well.

REPORT OF THE DIRECTORS (continued) **Achievements and performance (continued)**

As an organisation we are wholeheartedly committed to investing in initiatives that drive greater performance and efficiency and much has been achieved this year through the introduction of digital and technological advances.

Marketing and Fundraising

In 2018 we were proud to celebrate our 225th anniversary, which created an excellent opportunity to highlight the work the charity has been doing on behalf of people with visual impairment since 1793. To mark the anniversary Royal Blind held a reception for supporters, staff and service users at the Scottish Parliament, hosted by Stuart McMillan MSP.

We were grateful to receive 32 grants this year, totalling £124,672 from charitable trusts and foundations. We were especially grateful to the National Lottery Community Fund and Morrison's Foundation, along with other generous funders who supported us in our school courtyard redevelopment project, which raised over £100,000. We also received generous donations from corporate supporters and individuals.

Marketing and PR focused a new campaign on increasing the number of residents at Braeside House. This included a door drop leaflet to 47,000 homes and a three-month bus advertising campaign on routes close to the house. Jenny's Well in Paisley was also supported with advertising to help further promote this as a new service. The campaign built on the strong awareness created by the First Minister's visit earlier in the year.

Our website and social media channels play an increasingly important role in promoting our services and awareness of vision impairment in Scotland. In total, we had over half a million unique users to the website for the period. Facebook has a yearly reach of over 360,000 with Twitter having a reach of 600,000. Our social media presence continues to grow.

PR coverage has been very strong in the last year. We achieved National coverage for our research showing that the amount of vision-impaired children has doubled across Scotland.

Royal Blind launched a major dementia research project at Jenny's Well which attracted broad news coverage. We were awarded £20,000 for the project by the Life Changes Trust with funding from the National Lottery Community Fund over two years.

We achieved extensive national coverage in December after Royal Blind identified an attainment gap for children with sight loss in mainstream schools.

Following this, it was announced that Government ministers have agreed to review the policy of mainstreaming in schools. This review is underway.

REPORT OF THE DIRECTORS (continued) **Achievements and performance (continued)**

Our Policy Manager launched a new campaign, Our Vision for Equal Education, to highlight the need for increased support for blind and partially sighted pupils in Scotland's schools. We promoted our campaign at the Scottish Parliament, with 83 MSPs pledging to support the campaign.

We also launched a new report highlighting the links between sight loss and loneliness. Our research was referenced in the Scottish Government's strategy document aimed at tackling social isolation.

PLANS FOR THE FUTURE

Royal Blind School

In line with the strategy announced in September 2012, the Royal Blind School is now positioned positively as a specialist provider for children and young people whose vision impairment combines with other additional support needs such as physical, behavioural or emotional support needs. We are also supporting the education of children and young people with vision impairments across Scotland through our work with East Lothian Council and the Royal Blind Learning Hub. The reduction in pupil numbers at the school over the last few years appears to have stabilised but it is still too soon to be fully confident that this is a firm trend.

We plan to extend the peripatetic service we currently offer to East Lothian children into other Local Authority areas and are in advanced discussions with another Scottish Local Authority in order to provide the service in their area.

We are developing outdoor learning spaces within our school grounds in order to further enhance the service we currently provide to our pupils.

The Scottish Government's Doran Review was published in November 2012. The Review does not fundamentally alter the principles and legislation that has given rise to the current and expected future pattern of use of the school.

However, it set a target of five years for the establishment of a strategic commissioning system to replace the present system of grant aid. This work is progressing very slowly, and we are involved as an active participant informing the development of the new strategic commissioning body and its processes. The ultimate effect of the change on the Royal Blind School in particular will remain uncertain until we are clearer on the format and method of commissioning.

The Education Committee and the Directors will continue to review the focus and mix of Royal Blind education services to ensure that they remain fit-for-purpose, sustainable and aligned to the policy and strategy context. This will ensure that the school is making the best possible contribution that it can make in this specialist area, including wherever possible and appropriate, in partnership with other organisations.

REPORT OF THE DIRECTORS (continued) **Plans for the future (continued)**

Adult services

Our adult services are at near-capacity. As part of the Royal Blind strategic review we will explore the most viable and impactful options for the future development of adult services, including important questions of need, transitions, service model and geographical presence.

The additional support needs of many of our residents, e.g. autism and other disabilities, will continue to be an important area of development to ensure that we are providing truly tailored and person-centred care and support. The establishment of Allermuir in a small setting which is well-integrated into the local residential community has proven to provide benefits which will also inform future developments in adult services.

Older people

We currently have an issue in both our care homes whereby the number of Social Work funded residents is much higher than privately funded residents and this is having a detrimental effect on income. We will implement a strategy to increase the proportion of privately funded residents in order to bring the care homes to a break even position. We also plan to carry out refurbishment works at Braeside House in order to make it more attractive to prospective residents.

Internal analysis has demonstrated the ever-increasing complexity of the nursing care we have provided in recent years, with the majority of residents having several additional co-morbidities, including a high proportion with dementia.

We will continue to keep the case mix-under review to ensure that our skills, policies and processes keep pace with this challenge.

The Scottish Braille Press

We will continue to work with our customers, existing and new, to ensure high quality production of braille, large print and audio alternative formats that embraces the latest digital and technological developments. We will also engage with people with vision impairment in this process.

As a supported employer for disabled people, including those with vision impairment, we will work closely with relevant agencies to take account of the implications of any relevant policy changes and related funding models at a UK and Scottish Government level, contributing to the policy debate where appropriate.

REPORT OF THE DIRECTORS (continued)

Plans for the future (continued)

Safeguarding

Safeguarding will continue to be of the utmost importance across all of our services and we will ensure that this has a high and fully-transparent profile at Board and all-staff level.

We will ensure a strong and sufficient leadership priority towards the development of consistent and best-practice approaches and to the management of risk in this area and facilitate a constructive, learning culture where good practice can be shared across all of our services as part of a continuous improvement approach.

Volunteering

We have developed a volunteering strategy and recruited a Volunteer Development Manager. We launched our volunteer recruitment programme in early 2019 and successfully recruited 26 volunteers. We will launch further volunteer recruitment programmes on a quarterly basis.

We aim to build up further significant programmes of varied, exciting and valuable volunteering opportunities in the years ahead.

Gender Pay Gap

The Royal Blind Gender Pay Gap Report was published in March 2019. The report shows that in April 2018 our median gender pay gap was negative at -10.6%, which means that on average women are paid more than men. This is due to the types of roles men occupied across the organisation at the time. At 2.6% our mean gender pay gap was much higher than the median, which is influenced by the fact that our Chief Executive and 40% of our Senior Management Team are male. We recognise however that with our male employees comprising only 19% of the total workforce, 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 at 15.8% (mean) and 16.3% (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 2018 Equality Status Report.

POLICIES

Risk Management

The Directors 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.

REPORT OF THE DIRECTORS (continued) **Plans for the future (continued)**

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 Directors consider the most significant single risks to the organisation to be:

- Failure of national commissioning process or policy implementation for services for children and young people with complex additional support needs to result in an economically sustainable financial environment for the Royal Blind School
- A significant fall in the value of the charity's investments and those of the defined benefit pension scheme
- The pension scheme becomes less affordable
- Failure of our safeguarding policies and procedures
- A sustained fall in occupancy levels within older peoples' services
- The loss of a major Scottish Braille Press contract

Investment Policy

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

It is the Directors' 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

REPORT OF THE DIRECTORS (continued)

Policies (continued)

- 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 returns
- 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.

Reserves Policy

The organisation normally aims to accumulate resources to support future improvements in facilities and the provision of new services.

The accumulated reserve also provides the protection the Directors require against financial difficulty in the event of adverse circumstances.

It is the view of the Directors that proper stewardship demands that a reserve be maintained to guard against adverse financial circumstances in order to protect the Royal Blind School, a national resource which it is committed to providing for the long term, and that it would be undesirable to borrow to a degree that puts the operational assets at risk. In addition, income from investments is required in order to support the operating deficit incurred by services at times when they are unable to meet their costs, as has been the case with the school and Braeside House in recent years.

REPORT OF THE DIRECTORS (continued)

Policies (continued)

The present position is as shown in the balance sheet and in notes 11 to 13 to the accounts. Total funds are £48.2 million, of which £0.7 million is restricted in purpose. Of the remaining £47.5 million, £31.8 million is in tangible fixed assets and £22.M is in investments. Our free reserves are (£6.3 million), wholly represented by the pension liability but our investments of £22 million can be realised as required and are regarded as free reserves in nature.

The responsibilities placed upon the Directors to maintain and sustain important and resource-intensive services in the current uncertain times make it essential to maintain a strong reserve, and the holding of this reserve is important also in generating investment income to support our activities and ensuring that the charity can meet its obligations to the members of the defined benefit pension scheme. The Directors feel that our current free reserves are appropriate given the business circumstances and future plans of the charity. The Directors will keep under review the potential to grow income from other sources, such as charitable fundraising, statutory and commercial contracts, considered against the potential resource investments required to generate those opportunities.

FINANCIAL REVIEW

Income

Total income, at £18.2 million, increased by £2.5 million from the previous year's figure. Income from school fees increased by nearly 10% due to an increase in residential income. There was an increase in the claim for the Scottish Government capital grant in 2018/19, due to equipment required for pupils. The contract with East Lothian Council to provide the East Lothian Visual Impairment Service in their schools yielded an income of £114,000 in 2018/19 due to additional costs agreed with East Lothian Council to be covered by this contract.

Income to adult services increased by £146K (5%) and income to the Scottish Braille Press increased by £63,000 (2%) due to rent received from two tenants located at Robertson Avenue.

Income from legacies at £750,000 was higher than last year and it is always a challenge to predict legacy income. Investment income increased by £49,000 during 2018/19. Donations and grants increased by nearly £100,000 on last year and this was as a result of some very generous donations from an individual who has planned to leave a legacy but decided to donate some money now so that they can see the benefit.

REPORT OF THE DIRECTORS (continued)
FINANCIAL REVIEW (continued)

The financial performance of the main activities

The statement below shows how income and expenditure divided between our principal activities, and gives the breakdown of cost for each.

	Royal Blind School	K'sscene	Adult services	Older people's services	Scottish Braille Press
	£000	£000	£000	£000	£000
Income					
Operating income	<u>4,412</u>	<u>107</u>	<u>2,930</u>	<u>5,204</u>	<u>3,360</u>
Expenditure					
Cost of Sales	-	-	-	-	222
Payroll costs	3,795	124	2,354	4,137	2,084
Depreciation	503	3	65	289	189
Other expenditure	<u>1,140</u>	<u>33</u>	<u>273</u>	<u>1,869</u>	<u>549</u>
Total	<u>5,438</u>	<u>160</u>	<u>2,692</u>	<u>6,295</u>	<u>3,044</u>
Net operating surplus/(deficit)	<u>(1,026)</u>	<u>(53)</u>	<u>238</u>	<u>(1,098)</u>	<u>316</u>
2018	<u>(1,337)</u>	<u>(32)</u>	<u>143</u>	<u>(975)</u>	<u>312</u>
Depreciation: vacated site	27				
Other costs: vacated site	87				
Total cost of vacated site	(114)	-	-	-	-
Adjustment of pension cost:					
Staff costs (note 6)	(603)	-	(245)	(245)	(179)
Other costs (note 14)	(85)	-	(34)	(34)	(26)
Restricted fund transactions	<u>(38)</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>-</u>
Net (expenditure)/income	<u>(1,866)</u>	<u>(53)</u>	<u>(41)</u>	<u>(1,377)</u>	<u>111</u>
2018	<u>(1,784)</u>	<u>(32)</u>	<u>20</u>	<u>(1,130)</u>	<u>204</u>

The net operating deficit of £1,403,000 for the Royal Blind School includes £198,000 net expenditure of the Royal Blind Learning Hub (2018, £179,000). The school's expenditure includes depreciation charges resulting from past capital expenditure that was funded from resources we already had, with no expectation of recovering those costs from future operations.

Disregarding depreciation, the deficit of the school excluding the Learning Hub was £702,000 (2018, £625,000), an increase of £77,000.

Of the deficit of £52,000 in operating Kidscene, £21,000 was expended deliberately through the operation of a bursary fund to allow children with complex support needs to attend the club.

REPORT OF THE DIRECTORS (continued)
FINANCIAL REVIEW (continued)

Within older people's services, the deficit at Braeside House increased during 2018/19 due to the high proportion of Local Authority funded residents catered for. Cover for staff sickness and striking the right balance between private and Local Authority funded residents remain challenging. Jenny's Well had its first full operational year in 2018/19 and ran at a deficit as expected.

The Scottish Braille Press continued to perform well during 2018/19, retaining sales levels from the previous year and reporting a surplus of £141,000.

Staffing costs rose by 19% from the previous year, there being a 15% increase in the full time equivalent number of staff. Recruitment for Jenny's Well continued through 2018/19 and there were planned appointments in the Marketing & Fundraising department as well as the recruitment of our two new Directors. We employed additional care staff at the school and adjusted the working hours of others as part of the 52 week provision. The adjustment of pension costs from the contribution basis to the FRS102 basis adds a cost of £339,000 (2018, £465,000) over and above the contributions made through the year to the defined benefit pension fund. This results from the current low rates of interest.

Expenditure on fundraising and marketing our services increased by £97,000 as we strengthened our Marketing & Fundraising team to increase our public profile as part of our ongoing strategy to develop the charity.

Overall result

Net expenditure before investment gains of £2,962,000 is higher than we expected due to the continued budget deficit at Jenny's Well, Braeside House and the Royal Blind School, along with lower than budgeted income from dividends. Jenny's Well and Braeside House both had a higher number of Local Authority funded residents than what was budgeted for and pupil numbers at the school remain static.

Our investments gained value by £643,000, which was slightly down from the 2017/18 figure. During the year, market performance was also very variable.

The defined benefit pension fund gave total actuarial loss of £292,000 so that a deficit of £7.8 million is now reported in the balance sheet. All the assumptions are set out in note 14 to the financial statements.

The scheme's investments are expected to provide a somewhat better return we are allowed to account for and we are continuing to make additional payments to the scheme to address its deficit.

REPORT OF THE DIRECTORS (continued)
FINANCIAL REVIEW (continued)

Overall the result is net reduction in funds of £2.6 million. We continue to seek new areas of funding to develop our services and are reviewing our existing services in order to maximise income and reduce costs. We have also developed a deficit reduction strategy in order to bring our services closer to break even and have a 5 year financial plan to reduce or eliminate deficits throughout our services.

Balance sheet items

Total current assets have increased by £131,000.

Going Concern

The Directors have discussed the level of reserves in relation to future plans and a five year forecast has been considered by the Directors and have concluded that the Charity continues to operate on a going concern basis.

PROVISION OF INFORMATION TO AUDITOR

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

- there is no relevant audit information of which the organisation's auditor is unaware, and
- the Directors 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.

A handwritten signature in black ink, appearing to read "G. McCreath".

Gwenn McCreath, Chair
28 August 2019

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE ROYAL BLIND ASYLUM AND SCHOOL, EDINBURGH

We have audited the financial statements of Royal Blind ("the charity") for the year ended 31 March 2019 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 2019 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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.

INDEPENDENT AUDITOR'S 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 directors. The directors 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 Directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors' determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the financial statements, the directors 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 directors 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 directors, 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 directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Bao Lup".

BDO LLP, statutory auditor
Edinburgh

Date: 6 SEPTEMBER 2019

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).

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	Unrestricted		Restricted		Total	
		General Funds		Funds		Total	
		2019	2018	2019	2018	2019	2018
		£000	£000	£000	£000	£000	£000
Income from:	3						
Donations and legacies		1,142	877	56	-	1,198	877
Charitable activities:							
Royal Blind School		1,794	1,600	2,618	2,592	4,412	4,192
Kidscene		107	113	-	-	107	113
Adult services		2,930	2,784	-	-	2,930	2,784
Older people's services		5,204	3,531	-	-	5,204	3,531
Scottish Braille Press		3,360	3,297	-	-	3,360	3,297
Total charitable activities		13,395	11,325	2,618	2,592	16,013	13,917
Other trading activities		-	48	-	-	-	48
Investments		479	430	-	-	479	430
Other		531	459	-	-	531	459
Total		<u>15,547</u>	<u>13,139</u>	<u>2,674</u>	<u>2,592</u>	<u>18,221</u>	<u>15,731</u>
Expenditure on:	4						
Raising funds		411	347	-	-	411	347
Charitable Activities:							
Royal Blind School		3,658	3,349	2,620	2,627	6,278	5,976
Kidscene		160	145	-	-	160	145
Adult services		2,971	2,765	-	-	2,971	2,765
Older people's services		6,574	4,652	7	8	6,581	4,660
Scottish Braille Press		3,249	3,093	-	-	3,249	3,093
Service development		568	203	-	-	568	203
Grants and sundry		437	20	-	-	437	20
Total charitable activities		17,617	14,227	2,627	2,635	20,244	16,862
Other		528	458	-	-	528	458
Total		<u>18,556</u>	<u>15,032</u>	<u>2,627</u>	<u>2,635</u>	<u>21,183</u>	<u>17,667</u>
Net (expenditure)/income before investment gains/losses		(3,009)	(1,893)	47	(43)	(2,962)	(1,936)
Net gains on investments		643	721	-	-	643	721
Net (expenditure)/income		<u>(2,366)</u>	<u>(1,172)</u>	<u>47</u>	<u>(43)</u>	<u>(2,319)</u>	<u>(1,215)</u>
Other recognised gains and losses							
Actuarial (loss) / gain on defined benefit pension scheme	14	(292)	1,598	-	-	(292)	1,598
Net movement in funds		(2,658)	426	47	(43)	(2,611)	383
Reconciliation of funds:							
Funds at 31 March 2018	11,12	50,235	49,809	608	651	50,843	50,460
Total Funds at 31 March 2019		<u>47,577</u>	<u>50,235</u>	<u>655</u>	<u>608</u>	<u>48,232</u>	<u>50,843</u>

All amounts relate to continuing operations

The notes on pages 31 to 46 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £000	2018 £000
Fixed Assets			
Tangible assets	7	31,787	32,737
Investments	8	<u>22,007</u>	<u>23,215</u>
Total fixed assets		<u>53,794</u>	<u>55,952</u>
Current Assets			
Stocks		50	45
Debtors	9	2,205	1,640
Cash at Bank and in Hand		<u>990</u>	<u>1,470</u>
Total current assets		3,245	3,155
Liabilities			
Creditors: amounts falling due within one year	10	<u>(1,032)</u>	<u>(1,073)</u>
Net Current Assets		<u>2,213</u>	<u>2,082</u>
Net assets excluding pension liability		<u>56,007</u>	<u>58,034</u>
Defined benefit pension liability	14	<u>(7,775)</u>	<u>(7,191)</u>
Net Assets		<u>48,232</u>	<u>50,843</u>
Represented by			
Restricted Funds	11	<u>655</u>	<u>608</u>
Unrestricted Funds			
General fund	12	53,437	55,903
Investment reserve	12	1,915	1,523
Designated fund	12	-	-
Pension reserve	12	<u>(7,775)</u>	<u>(7,191)</u>
Total unrestricted funds		<u>47,577</u>	<u>50,235</u>
Total Funds		<u>48,232</u>	<u>50,843</u>

Approved by the Board and signed on their behalf

28/8/19



Gwenn McCreath
Chair
28 August 2019

The notes on pages 31 to 46 form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£000	£000
Reconciliation of net income/expenditure to net cash flow from operating activities		
Net (expenditure)/income as per the SOFA	(2,319)	(1,215)
Adjustments for:		
(Gains)/losses on investments	(643)	(721)
(Gain) on sale of fixed assets	-	1
Adjustment to pension costs	658	672
Depreciation charges	1,161	911
Decrease/(Increase) in stocks	(5)	3
(Increase) in debtors	(564)	(79)
Increase in creditors	69	33
Interest and dividends	(479)	(430)
Pension scheme deficit recovery	<u>(366)</u>	<u>(366)</u>
Net cash (used in) operating activities	<u>(2,487)</u>	<u>(1,191)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	478	461
Proceeds from sale of property, plant and equipment	94	11
Purchase of property, plant and equipment	(415)	(9,197)
Proceeds from sale of investments	2,370	7,799
Purchase of investments	<u>(520)</u>	<u>(1,024)</u>
Net cash provided by / (used in) investing activities	<u>2,006</u>	<u>(1,950)</u>
Change in cash and cash equivalents	<u>(481)</u>	<u>(3,141)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>1,484</u>	<u>4,625</u>
Cash and cash equivalents at the end of the reporting period	<u>1,003</u>	<u>1,484</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	990	1,470
Cash held for investment	<u>13</u>	<u>14</u>
Total cash and cash equivalents	<u>1,003</u>	<u>1,484</u>

The notes on pages 31 to 47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 PRINCIPAL ACCOUNTING POLICIES

Royal Blind is a charity incorporated by Royal Charter. 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 Directors.

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.

Royal Blind 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 Directors to exercise judgement in applying the charity's accounting policies, as shown in note 2 below.

The financial 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 Directors 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 Royal Blind will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

b) **Going Concern**

The Directors have considered the assets and liabilities of Royal Blind and concluded that it continues to operate on a going concern basis. Forecasts have been produced to March 2024.

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. Fees and sales are accounted for in the period in which the activity occurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Grants from the Government and from other charities are accounted for in the year in which they are received and are allocated to the activity to which they relate. 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

Direct costs are charged to the activities. 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 floor areas. Grants and donations made by the charity are charged when the Directors have agreed to pay the grant. A liability is recognised for outstanding entitlements to holiday pay at the year end date. Termination benefits are accrued when there is a constructive obligation to pay them. This is normally via a contractual, legislative or other agreement with employees or their representatives.

e) Tangible Fixed Assets

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

Plant and equipment, furniture and fixtures, IT 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 ten 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) Stock

Stocks of raw materials, work in progress and goods for resale are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

h) **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.

i) **Capital Grants**

Capital Grants are credited to the Statement of Financial Activities in the year of receipt. Depreciation is charged on the relevant asset in line with its estimated useful life, as stated in noted above, to the restricted Capital Grants Fund.

j) **Fund Accounting**

The nature and purpose of each fund is explained in Notes 11 and 12.

k) **Pension Costs**

The organisation, together with Scottish War Blinded, 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.

The accumulated pension scheme deficit is recognised in full and included in the balance sheet.

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.

l) **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 16.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 JUDGEMENTS AND ESTIMATES

The preparation of these financial statements has required the Directors 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 14.
- Tangible fixed assets, as mentioned in d 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 INCOME

a) Income from Donations and legacies

	Unrestricted		Restricted		Total	
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000
Legacies	750	523	-	-	750	523
Other Donations and grants	<u>392</u>	<u>354</u>	<u>56</u>	-	<u>448</u>	<u>354</u>
SOFA	<u>1,142</u>	<u>877</u>	<u>56</u>	-	<u>1,198</u>	<u>877</u>

b) Income from charitable activities

Royal Blind School

School and residential fees	1,671	1,519	-	-	1,671	1,561
Grant from Scot Govt Recurrent	-	-	2,574	2,574	2,574	2,574
Non-recurrent	-	-	35	18	35	18
Sundry income	<u>123</u>	<u>81</u>	<u>9</u>	-	<u>132</u>	<u>81</u>
SOFA	<u>1,794</u>	<u>1,600</u>	<u>2,618</u>	<u>2,592</u>	<u>4,412</u>	<u>4,192</u>

Kidscene

Fees for services	<u>107</u>	<u>113</u>	-	-	<u>107</u>	<u>113</u>
SOFA	<u>107</u>	<u>113</u>	-	-	<u>107</u>	<u>113</u>

Adult services

Fees for services	<u>2,930</u>	<u>2,784</u>	-	-	<u>2,930</u>	<u>2,784</u>
SOFA	<u>2,930</u>	<u>2,784</u>	-	-	<u>2,930</u>	<u>2,784</u>

Older people's services

Fees for services	<u>5,204</u>	<u>3,531</u>	-	-	<u>5,204</u>	<u>3,531</u>
SOFA	<u>5,204</u>	<u>3,531</u>	-	-	<u>5,204</u>	<u>3,531</u>

Scottish Braille Press

Sales	3,201	3,202	-	-	3,201	3,202
Funding for supp'd employment	93	95	-	-	93	95
Office rental	<u>66</u>	-	-	-	<u>66</u>	-
SOFA	<u>3,360</u>	<u>3,297</u>	-	-	<u>3,360</u>	<u>3,297</u>

Total from charitable activities	<u>13,395</u>	<u>11,325</u>	<u>2,618</u>	<u>2,592</u>	<u>16,013</u>	<u>13,917</u>
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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 INCOME (Continued)

c) Income from investments

	Unrestricted		Restricted		Total	
	2019	2018	2019	2018	2019	2018
	£000	£000	£000	£000	£000	£000
Dividends	476	429	-	-	476	429
Bank interest	<u>3</u>	<u>1</u>	-	-	<u>3</u>	<u>1</u>
SOFA	<u>479</u>	<u>430</u>	-	-	<u>479</u>	<u>430</u>

d) Other income

Receivable from Scottish War Blinded	528	458	-	-	528	458
Gain on disposal of fixed assets	-	1	-	-	-	1
Trading activities	<u>3</u>	<u>-</u>	-	-	<u>3</u>	<u>-</u>
SOFA	<u>531</u>	<u>459</u>	-	-	<u>531</u>	<u>459</u>

4 EXPENDITURE

	Activities undertaken directly	Grants	Support Costs (Note 5)	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Raising funds					
Raising donations	401	-	13	414	316
Investment fees	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>31</u>
	<u>398</u>	<u>-</u>	<u>13</u>	<u>411</u>	<u>347</u>
Charitable activities					
Royal Blind School	5,849	-	429	6,278	5,976
Kidscene	148	-	12	160	145
Adult Services	2,840	-	131	2,971	2,765
Older People Serv	6,239	-	342	6,581	4,660
Sc. Braille Press	3,083	-	166	3,249	3,093
Development	568	-	-	568	203
Grants for research	306	-	-	306	-
Other	<u>131</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>20</u>
	<u>19,164</u>	<u>-</u>	<u>1,080</u>	<u>20,244</u>	<u>16,862</u>
Other expenditure					
Provision of services to Scottish War Blinded	<u>528</u>	<u>-</u>	<u>-</u>	<u>528</u>	<u>458</u>
	<u>528</u>	<u>-</u>	<u>-</u>	<u>528</u>	<u>458</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 EXPENDITURE (continued)

All expenditure from restricted funds in 2019 and 2018 was in the category "Activities undertaken directly" and is included above.

5 SUPPORT COST ALLOCATION

	Mgt £000	Fin £000	HR £000	IT £000	Fac £000	Gov £000	Total £000
School	32	80	19	66	224	8	429
Kidscene	1	4	1	4	3	-	13
Adult Services	16	42	10	35	23	5	131
Older People	45	111	26	93	55	12	342
Sc. Braille Press	22	54	13	45	25	6	165
Mktg/Fundraising	<u>2</u>	<u>5</u>	<u>1</u>	<u>4</u>	<u>-</u>	<u>1</u>	<u>13</u>
Total	<u>118</u>	<u>296</u>	<u>70</u>	<u>247</u>	<u>330</u>	<u>32</u>	<u>1,093</u>

Management (Mgt), Finance (Fin), Human Resources (HR) IT and Governance (Gov) are allocated based on an average number of staff. Facilities Management (Fac) is allocated based on an estimation of floor area.

Governance costs of £31,000 (2018, £23,000) include external audit fees of £17,000 (2018, £15,000). No fee was payable to the auditor for non-audit services (2018, nil).

6 STAFF NUMBERS AND COSTS

	2019 £000	2018 £000
Wages and salaries	12,278	10,062
Redundancy and severance pay	-	18
Social security costs	1,008	846
Pension contributions	911	817
Adjustment to FRS102 basis	<u>1,272</u>	<u>1,225</u>
Pension costs	<u>2,183</u>	<u>2,042</u>
Total staff costs	<u>15,469</u>	<u>12,968</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 STAFF NUMBERS AND COSTS (continued)

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

	2019	2019	2018	2018
	FTE	Head	FTE	Head
Royal Blind School	115	140	108	131
Kidscene	4	7	4	7
Adult Services	63	74	62	72
Older Peoples Serv's	151	196	110	142
Scottish Braille Press	89	96	86	94
Head Office	41	44	32	37
	<u>463</u>	<u>557</u>	<u>402</u>	<u>483</u>

The numbers of staff whose emoluments for the year fell in the following bands were:

	2019	2018
	Number	Number
£70,001 - £80,000	3	1
£90,001 - £100,000	1	1

Contributions in the year to a defined benefit pension for the above staff were £12,638 (2018, £12,000) and to a defined contribution pension were £8,521 (2017, £9,000). No remuneration has been paid to any Director or member of committee in respect of their duties (2018, £nil). No expenses were paid to any Director (2018, £nil).

One member of staff is regarded by the Directors as being "Key Management" as defined in FRS102, this being the Chief Executive, as the only manager having decision making responsibility covering the whole organisation. As Chief Executive of both charities, some of the Chief Executive's duties relate to Scottish War Blinded. The cost of that part is paid for by Scottish War Blinded as part of the management charge.

The total remuneration of the Chief Executives for work with both charities, was £113,000 (2018, £123,000 which included a period of overlap with the retiring chief executive).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TANGIBLE FIXED ASSETS

	Heritable Property £000	Furniture & Equipt £000	I.T. £000	Vehicles £000	Total £000
Cost					
1 April 2018	39,751	2,581	934	333	43,599
Additions	19	201	3	82	305
Disposals	(93)	-	-	-	(93)
31 March 2019	<u>39,677</u>	<u>2,782</u>	<u>937</u>	<u>415</u>	<u>43,811</u>
Accumulated depreciation					
1 April 2018	8,283	1,600	691	288	10,862
Charge for year	899	153	91	18	1,161
Disposals	-	-	-	-	-
31 March 2019	<u>9,182</u>	<u>1,753</u>	<u>782</u>	<u>306</u>	<u>12,023</u>
Net book value					
31 March 2019	<u>30,494</u>	<u>1,029</u>	<u>155</u>	<u>109</u>	<u>31,787</u>
31 March 2018	<u>31,468</u>	<u>981</u>	<u>243</u>	<u>45</u>	<u>32,737</u>

Included in the above are assets in the course of construction £135,000 (2018, £221,000), and land, included in heritable property, which is not subject to a depreciation charge, £4,849,000 (2018, £4,849,000).

An agreement was reached in the year with a third party for the sale of Craigmillar Park for a sum greater than its net book value. This is contingent on certain planning permissions being obtained; accordingly it has not been recognised as a sale in the year.

8 INVESTMENTS

	2019 £000	2018 £000
Market value as at 1 April 2018	23,201	29,254
Additions at cost	520	1,025
Disposals at opening book value	(2,313)	(7,772)
	21,408	22,507
Change in market value in the year	586	694
Market value as at 31 March 2019	21,994	23,201
Cash held for investment	13	14
Total investments	<u>22,007</u>	<u>23,215</u>
Investments held at cost	20,092	21,678
Cash held for investment	13	14
Cost as at 31 March 2019	<u>20,105</u>	<u>21,692</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 INVESTMENTS (continued)

The market value represents:

Investments listed on a recognised stock exchange		
United Kingdom	20,221	21,444
Outside the United Kingdom	<u>1,773</u>	<u>1,757</u>
	<u>21,994</u>	<u>23,201</u>

Five (2018, five) investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £4,826,000 (2018, 5,506,000)

The Partners Fund valued at £6,828,000 (2018, £7,849,000)

Henderson Multi Asset Credit Fund valued at £6,523,000 (2018, £6,512,000)

Legal and General International Index Trust valued at £1,773,000 (2018, £1,757,000)

Aberdeen Asset Managers Charities Property Fund valued at £1,595,000 (2018, £1,574,000).

All investments are held to provide an investment return.

The Henderson Multi Asset Credit Fund is placed with Janus Henderson Investors. The most recent year-end accounts of Janus Henderson were qualified as they failed the test of Audit. This does not affect the value of the investments or any transactions related to Royal Blind.

9 DEBTORS

	2019	2018
	£000	£000
Trade debtors	1,096	1,161
Prepayments	173	30
Due from Scottish War Blinded	297	229
Taxation recoverable	21	67
Accrued income	<u>618</u>	<u>153</u>
	<u>2,205</u>	<u>1,640</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Suppliers and accruals	669	694
Due to HMRC	256	227
Pension costs	99	149
Deferred income	<u>8</u>	<u>3</u>
	<u>1,032</u>	<u>1,073</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Deferred Income of £8,000 (2018, £3,000) relates to advance sales for a fundraising event due to take place after 31 March 2019 and holiday club bookings at KidsScene during April 2019.

11 RESTRICTED FUNDS

	Balance 31.3.18	Income	Expenditure	Balance 31.3.19
	£000	£000	£000	£ 000
Capital grants	608	35	(1)	643
Grants applied in year	-	2,583	(2,583)	-
Donations applied in year	-	56	(44)	12
Total	<u>608</u>	<u>2,674</u>	<u>(2,627)</u>	<u>655</u>

The Capital Grants fund holds grants received relating to specific items of capital expenditure.

The grants applied for the year ending 31 March 2019, relate to a Scottish Government grant for the Royal Blind School to offer capital and revenue support. Donations applied for during the year relate to funding for development of activities in the Older People services and a courtyard regeneration project at the Royal Blind School.

12 UNRESTRICTED FUNDS

	General Fund	Investm't Reserve	Designated Fund	Pension Reserve	Total
	£000	£000	£000	£000	£000
Balance 31.3.18	55,903	1,523	-	(7,191)	50,235
Net (expenditure) before other recognised gains	(2,366)		-	-	(2,366)
Pension deficit recovery	(366)	-	-	366	-
Adjustment to Pension Fund Reserve	658	-	-	(658)	
Release of designated fund Investment		-		-	-
disposals, gains and losses	(392)	392	-	-	-
Actuarial losses	-	-	-	(292)	(292)
Balance 31.3.19	<u>53,437</u>	<u>1,915</u>	<u>-</u>	<u>(7,775)</u>	<u>47,577</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £000	Investments £000	Net current assets £000	Total funds £000
At 31 March 2019:				
Restricted funds				
Capital grants reserve	<u>655</u>	-	-	<u>655</u>
Designated funds				
	-	-	-	-
Other unrestricted funds				
Investment reserve	-	1,915	-	1,915
Pension reserve	-	(7,775)	-	(7,775)
General fund	<u>31,132</u>	<u>20,105</u>	<u>2,200</u>	<u>53,437</u>
	<u>31,132</u>	<u>14,245</u>	<u>2,200</u>	<u>47,577</u>
Total funds	<u>31,787</u>	<u>14,245</u>	<u>2,200</u>	<u>48,232</u>
At 31 March 2018:				
Restricted funds				
Capital grants reserve	<u>608</u>	-	-	<u>608</u>
Designated funds				
	-	-	-	-
Other unrestricted funds				
Investment reserve	-	1,523	-	1,523
Pension reserve	-	(7,191)	-	(7,191)
General fund	<u>32,129</u>	<u>21,692</u>	<u>2,082</u>	<u>55,903</u>
	<u>32,129</u>	<u>16,024</u>	<u>2,082</u>	<u>50,235</u>
Total funds	<u>32,737</u>	<u>16,024</u>	<u>2,082</u>	<u>50,843</u>

14 PENSION COSTS

The organisation, together with Scottish War Blinded, 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 2016 by a qualified independent actuary which showed the scheme to be 10% underfunded on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 PENSION COSTS (continued)

After due consideration of the Actuary's report, and a consultation with staff, the Board decided to reduce the rate of accrual of benefit from 1 April 2017 onwards and to increase the employer's contribution from 26.6% to 28% from 1st April 2017. The employees' contribution is at a rate of 5%. The major assumptions used by the Actuary were as follows:

	2019	2018
Inflation	2.5%	2.4%
Salary increases	3.0%	2.9%
Expected return on investments pre-retirement	5.2%	5.2%

The total payments to the scheme for the year amounted to £1,159,000 (2018: £1,125,000) and included £366,000 of exceptional contribution made to address the estimated pension scheme deficit. We estimate that payments to the scheme in the year to 31 March 2019 will be £1,101,000, which will include £366,000 in deficit recovery contributions.

The fund has been valued in accordance with the requirements of FRS102 by Audrey Hay of JLT on 6 June 2019. 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.

Assumptions	at 31 March	at 31 March
	2019	2018
Discount rate	2.3%	2.5%
Retail price inflation	3.5%	3.5%
Consumer price inflation	2.5%	2.5%
Salary increase rate	3.0%	3.0%
Pension increases (Limited Price Indexation)		
- RPI maximum 5%	3.3%	3.3%
- RPI maximum 5% minimum 3%	3.8%	3.8%
Deferred pension revaluation	2.5%	2.5%

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 PENSION COSTS (continued)

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

Assuming retirement at age 65, life expectancies in years based on the mortality assumption used are as follows:

	at 31 March 2019	at 31 March 2018
For a male aged 65 now	21.2	21.2
At 65 for a male member aged 45 now	23.4	23.3
For a female aged 65 now	23.3	23.3
At 65 for a female member aged 45 now	25.6	25.6

Assets	31 Mar 2019		31 Mar 2018	
	£000's	%	£000's	%
Invested assets	<u>39,062</u>	<u>100</u>	<u>36,044</u>	<u>100</u>
Total	<u>39,062</u>	<u>100</u>	<u>36,044</u>	<u>100</u>

Liability and Funded Status at 31 March	2019 £000's	2018 £000's	2017 £000's	2016 £000's	2015 £000's
Fair value of plan assets	39,062	36,044	34,148	27,948	28,762
Value of funded oblig'ns	(46,837)	(43,235)	(42,631)	(33,047)	(32,143)
(Deficit)/Surplus	<u>(7,775)</u>	<u>(7,191)</u>	<u>(8,483)</u>	<u>(5,099)</u>	<u>(3,381)</u>

The charge to the Statement of Financial Activities	2019 £000's	2018 £000's
Service cost	1,132	1,225
Net interest expense	179	206
Losses (gains) due to benefit changes	<u>140</u>	<u>-</u>
Total included in employer expense	<u>1,451</u>	<u>1,431</u>

Analysis of the change in the defined benefit obligation

Opening defined benefit obligation	43,235	42,631
Current service cost	1,132	1,225
Interest cost	1,084	1,098
Actuarial losses/(gains)	2,107	(896)
Benefits paid	(861)	(823)
Losses (gains) due to benefit change	<u>140</u>	<u>-</u>
	<u>46,837</u>	<u>43,235</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 PENSION COSTS (continued)

Analysis of the change in fair value of plan assets

	2019	2018
	£000's	£000's
Opening fair value of plan assets	36,044	34,148
Interest income	905	892
Actuarial gains/(losses)	1,815	702
Contributions	1,159	1,125
Benefits paid	<u>(861)</u>	<u>(823)</u>
	<u>39,062</u>	<u>36,044</u>

Analysis of actuarial gains/(losses)	2019	2018
	£000's	£000's
Asset return (less interest income recognised in the SOFA)	1,815	702
Experience gains/(losses) on benefit obligation	(176)	206
Effect of assumptions changes on benefit obligation	<u>(1,931)</u>	<u>690</u>
Total actuarial gains/(losses)	<u>(292)</u>	<u>1,598</u>

History of Experience Gains and Losses	2019	2018
	£000's	£000's
Difference between the asset return and the interest income recognised in the SOFA	1,815	702
- as % of scheme assets	5%	2%
Experience gains/(losses) on obligation	(176)	206
- as % of liabilities	0%	0%
Total amount recognised in the SOFA	(292)	1,598
- as % of liabilities	-1%	4%

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 CONNECTED ORGANISATION

The Directors of Royal Blind act as Trustees of Scottish War Blinded. This is a separate charity having its own funds and properties. Royal Blind provided administrative services for which a fee was received of £528,000 (2018, £458,000). At the balance sheet date, a charge was due from Scottish War Blinded amounting to £297,000 (2018: £229,000).

16 FINANCIAL INSTRUMENTS

	2019 £000	2018 £000
Financial assets		
Financial assets measured at fair value	21,994	23,215
Financial assets measured at amortised cost	<u>3,014</u>	<u>3,013</u>
	<u>25,008</u>	<u>26,138</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>768</u>	<u>843</u>

Financial assets measured at fair value are listed investments. Financial assets measured at amortised cost include cash at bank, trade debtors, amounts due from Scottish War Blinded and accrued income.

Financial liabilities measured at amortised cost are suppliers and accruals and accrued pension costs.

17 CAPITAL COMMITMENTS

At 31 March, there was a capital commitment of £119,000, consisting of The School Courtyard Project (£83,000), Jenny's Well Care Home (£17,000) and Scottish Braille Press building (£19,000).