



**SCOTTISH WAR BLINDED**

**Report and Financial Statements**

**Year ended 31 March 2019**

**Scottish War Blinded is a Scottish Charitable Incorporated Organisation,  
Number SC047192**

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## LEGAL AND ADMINISTRATIVE INFORMATION

Scottish War Blinded 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 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.

**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 Royal Blind)

Gwenn McCreath (Chair)

Kate Cherry (Vice-Chair)

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

Dawn Burrows (Resigned 10 Oct 2018)

Michael Craig

Jamie Cuthbertson \*

Patsy Gillies \*

Derek Howie

James Law – (Resigned 5 Dec 18)

J Grant Macrae – (Resigned 5 Dec 18)

Michelle McWilliams

Michael Martin

James Milhench

Robert Mooney

Sandra Warburton (Resigned 4 April 2018)

Graeme Bold (Appointed 5 December 2018)

Mike Boorman (Appointed 5 December 2018)

Professor Baljean Dhillon (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)

\* 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, 3<sup>rd</sup> Floor, 65 Haymarket Terrace, Edinburgh, EH12 5HD

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

## **REPORT OF THE TRUSTEES**

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

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

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

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



## REPORT OF THE TRUSTEES (Continued)

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Scottish War Blinded is a charity registered in Scotland and constituted as a Scottish Charitable Incorporated Association (SCIO). It was constituted on 21 February 2017 and commenced operations on 1 April 2017. On that date the engagements, assets and liabilities of the Scottish National Institution for the War Blinded (Charity number SC 002652) were transferred to Scottish War Blinded with the same Trustees acting for both charities. This Report and Financial Statements reports the new SCIO.

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 Royal Blind, a separate charity (Charity number SC017167) having its own objectives, funds and properties. Royal Blind is managed together with Scottish War Blinded, though they are financially separate, have different charitable objectives and neither organisation exerts control over the other.

The Trustees endeavour to ensure that they recruit to the Board people who are best suited to govern both charities. New trustees receive an induction, which includes briefings on the objectives and activities of the organisation and how it is presently organised to deliver its objectives. The induction also covers the roles and responsibilities of charity trustees. Trustees normally serve for a term of six years, which may be extended in the case of the Chair, the Vice-Chairs and committee conveners. No remuneration has been paid to any Trustee.

A Finance and General Purposes 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 Scottish War Blinded 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 Royal Blind and their duties cover both organisations. Each service has a defined management structure and a manager accountable for it who reports to the Head of Scottish War Blinded, 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 or expenses have been paid to the Board of Trustees, members of Council or members of the War-Blinded Committee. The Trustees benefit from trustee indemnity insurance arranged by Royal Blind.

## **REPORT OF THE TRUSTEES (Continued)**

### **OBJECTIVES**

Our current **statement of purpose**: Scottish War Blinded supports service veterans with a vision impairment to maintain and increase their independence and improve their quality of life.

Scottish War Blinded aims to:

- Provide a unique service to members across Scotland, aiming to enhance their quality of life and promote their independence through a high quality, person-centred and responsive service
- Be proactive in involving members in all decisions about their wellbeing and how we best support them
- Ensure that there is a knowledgeable, skilled and creative staff team to meet our members' needs and aspirations
- Consistently evaluate and evolve to reflect the changing needs of our members.

The services provided have all been developed to be responsive to our members' needs and include information and advice to cope with sight impairment, the provision of specialist equipment to increase independence, social opportunities to reduce isolation and a variety of additional supports to assist members to cope with the difficulties they encounter in daily life.

Our staff aim to ensure that our members receive the practical and emotional support they require to lead a full life. This may mean providing services ourselves, identifying external providers or advocating on our members' behalf.

During 2018-19 the number of members supported by Scottish War Blinded continued to rise. At the end of March 2018 we had 1,039 members, by 31 March 2019 this had risen to 1,227.

### **ACTIVITIES**

Scottish War Blinded continues to offer a day service through our centres in Wilkieston, West Lothian and in Paisley, Renfrewshire as well as a Scotland-wide Outreach service.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **The Outreach Service**

The ongoing increase in member numbers led us to increasing our outreach staff once again. Our existing eleven outreach workers were joined by four new members of staff and an additional manager. The team was split geographically with one Practice Lead (manager) working with the staff in the north and east of Scotland and the other working with those in the south and west.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

As in previous years, the role of the outreach staff is to support members in their own homes. They visit to offer advice and information, provide emotional support, assess for equipment to support independence and develop social opportunities for members in their area. They also work with members to solve any specific problems they are facing and link them with other local services who may be able to offer specialist help.

Where necessary Scottish War Blinded is able to provide additional support through funding for respite, sitting services, home adaptations and many other types of practical assistance. In particular, this year it was recognised that the age, frailty and sight problems of our members can make using public transport particularly difficult for them. Funding was therefore made available to enable a number of members to take part in particular activities they would have been unable to travel to independently.

During 2018-19 we provided funding for

- 3 bathroom adaptations
  - 1 architect's plans for a bathroom adaptation
  - 1 adaptation to make the back door accessible
  - 1 major lighting refit for a kitchen
- 2 orthopaedic mattresses
  - 1 sitting service so that our member could attend Linburn while his wife with dementia was cared for at home
- 1 contribution to skiing training with the Armed Forces Para Snowsports Team
- 1 set of new clothes for a member taken into hospital
- 2 transport arrangements for members to attend local social groups
- 1 funded attendance at local day care
- 1 transport arrangement for a member to attend counselling
- 1 transport arrangement for a member to attend peer support
- 1 transport arrangements for a member to attend Scotland' Bravest Manufacturing Company
- 2 transport arrangements for members to attend the local disabled climbing group
- 1 member to have sessions on the Edinburgh University anti-gravity machine to prepare for indoor climbing competitions

In addition to this specific support the outreach workers continue to run lunch clubs in many areas, enabling members to meet regularly to socialise. The popularity of the lunch clubs has led to the setting up of a number of new groups this year, with 20 different groups now held in a variety of locations throughout Scotland.

As last year, 20% of those who do not attend one of the activity centres were surveyed for their views on Scottish War Blinded and the outreach service. The response rate was 34%.

Of those that responded 100% were satisfied or extremely satisfied with the outreach service they receive, with 100% of those who had contact their worker with a problem saying that they had received help.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

For the first time this year we sent questionnaire to the families of those who use the service. Of those that responded (27%) 100% were satisfied or extremely satisfied with the service to their relative, with 80% feeling that the service had indirectly assisted them, too. The comments received demonstrate the value placed on the service by our members and their families including:

“I know if I need help they will provide it or steer me in the right direction”

“It has enabled my dad to have a better quality of life in his own home”

### **The Linburn Centre**

The Scottish War Blinded Centre in Wilkieston continues to be popular with those members able to attend. Transport is provided weekly for many who live within an approximate hour's drive of the centre, with members from further afield, such as Perth and Dundee, able to attend monthly or fortnightly.

122 members come to the centre weekly, with another 34 attending less regularly. The average daily attendance at the end of March 2019 was 27 members.

The activities and other opportunities on offer continue to be diverse, with regular woodwork and art sessions, strength and fitness classes, IT training, archery, cookery and many other areas of interest for the members covered. This year the Linburn Centre added cycling to the regular offerings using tandems and side-by-side bikes, as well as dancing classes and more sedate opportunities such as Tai Chi and nail painting. A large number of external trips took place, with cultural visits such as Holyrood and Mavisbank House taking place and repeat trips to local breweries and distilleries proving popular.

This year's quality assurance surveys demonstrated the members' satisfaction with the Linburn Centre by those who attend. Questionnaires were sent to all attendees and the return rate was 44%.

Of those who responded, 100% were satisfied or extremely satisfied with the centre. The members were also asked to tell us what impact the centre has had on their lives and they identified above all that their attendance gives them things to do, means they can be amongst other people and helps them stay independent. In addition, large numbers felt that the centre helped them stay well and helped them feel more confident. The many comments provided illustrate this, including:

“The centre is a great facility. It helps me to stay well and meet other people”

“Since attending the centre I have been more active, more sociable and have a positive interest and reason to get up in the morning. Thank you for having me.”

“I can never tell you how you have changed my life, well-being and health. Thanks are not enough”



## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

We also sent questionnaires to the families of those who use the service. 100% of those who responded (29%) were satisfied or extremely satisfied with the service, with 93.5% believing that the service for their relative indirectly supported them too. Again, some inspiring comments were received:

“I can’t begin to tell you what the service means. It is a life line. When someone develops a problem with their vision it is like the end of their life. The centre gives them their life back”

“It has given him new interests, so made him more content and happier. Life looked a bit bleak before”

### **The Hawkhead Centre**

During 2018-19 the Hawkhead Centre celebrated its first birthday with a number of parties and events. The success of its first year of operation is demonstrated by the number of members attending. At the end of March 2019 the number of regular attendees was 157, with another 17 attending less than weekly. The average daily attendance was 32.

The Care Inspectorate visited for their first inspection in May 2018 and the centre was awarded grades of 5 (very good) across all quality standards:

- Quality of care and support 5
- Quality of environment 5
- Quality of staffing 5
- Quality of management and leadership 5

an exceptional result for a new service.

While mirroring many of the activities on offer at the Linburn Centre, the Hawkhead centre has also developed its own identity and developed a variety of opportunities based on wishes of the members who attend. They have also benefitted from the links they have created with a range of other local organisations, from schools in the vicinity to the community police.

As well as the regular fitness sessions running at the centre, students from West College Scotland provided two programmes of personal training in the gym for a number of members, and also offered mindfulness and complementary therapy sessions, which proved popular. A series of outdoor activities were offered to members at Castle Semple, including sailing, and Redford Barracks in Edinburgh offered a group of members a return to Barracks military weekend. The members relived life in the Barracks, were kitted out in military gear and split into 2 groups to take part in deployment in the field or combat training. The popularity of the weekend was fed back to Redford Barracks who are delighted to offer this to our members again in 2019.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

The feedback from members in the quality assurance surveys was outstanding. All attendees received a questionnaire and the return rate was 57%. Of those who responded 100% were satisfied or extremely satisfied with the centre and many highlighted how important their days at the centre are in their life:

“Before I started going to Hawkhead life was just up and doing the same every day. Now life is great.”

“I look forward all week to my Weds and Friday attendance. This is a person-centred service run in a professional, caring and transparent manner”

The family members surveyed, echoed the satisfaction levels and 93.5% of those who responded (53%) felt that their relative attending the centre had assisted them too. The many comments received were both positive and inspiring, and include:

“Overall the centre staff, social interactions and activities have significantly helped and improved my mum’s overall well-being”

“I cannot emphasise enough the huge impact this has made to my dad’s well-being. He so looks forward to it and is energised again”

“Before dad attended the centre he was more or less in the house all week. We saw him every day making sure he was eating and drinking etc. He didn’t want to do or go anywhere. He has totally reversed his previous habits. Now he has more energy, he’s enthusiastic, more independent and has things to look forward to.”

### **The provision of equipment to members**

Equipment to a value of approx. £450,000 was provided to members. This includes both specialist vision impairment equipment and IT devices.

We continue to offer a wide variety of equipment that is agreed by the rehabilitation team. Small items are provided by the outreach workers to assist members with day to day tasks, such as talking watches and a liquid level indicator. Others of higher value are provided following a specialist assessment by the rehabilitation officers. The budget for the equipment is now managed centrally and the rehabilitation assistant works with all our suppliers to ensure the best possible discount for us as bulk buyers. He has also set up and manages a recycling programme for pieces of equipment that are no longer required by one member, to be checked and then passed to another member who needs it.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

### **Other activities**

#### **Rehabilitation services**

The appointment of a fourth rehabilitation officer allowed Scottish War Blinded to increase the rehabilitation services provided to members. These include low vision assessments the provision of specialist equipment to assist with a sight impairment, mobility and independent living skills training.

During 2018-19 the number of individual members who were provided with at least one piece of equipment was 791 (up from 569 last year) with an additional 111 receiving smart phones or tablets incorporating specialist software that enables easy use by someone with a sight impairment.

Where possible equipment returned to Scottish War Blinded after use is recycled. In this year equipment to the value of £44,392.36 was cleaned, reconditioned where necessary, and passed on to another member (last year £20,602.85).

The rehabilitation officers also offer basic training on working with people with a vision impairment to Scottish War Blinded and Royal Blind staff. These sessions are run 4 times a year and are generally over subscribed, with excellent feedback provided. During 2018-19 the rehabilitation officers also ran update sessions for a number of Scottish War Blinded staff and the first of a number of Advance Vision Impairment training session to ensure all staff who work with our members are as skilled and knowledgeable as possible.

#### **Social opportunities**

Our popular reunions (three course lunches with a drinks reception preceding them) are held annually at various locations throughout Scotland. They allow members to attend with a guest and have the opportunity to meet the trustees, senior staff and fellow members living in their home area. As our member numbers have grown, so have our reunions. In 2018-19 there were 9 reunions attended by 257 members (204 the previous year). For the first time this year an enhanced reunion was held in Inverness for members from the most northerly areas, as so few are able to travel to the central belt for our annual conference. It involved an afternoon of information stands, an evening dinner with entertainment and an overnight stay, as well as morning speakers and information followed by a formal lunch the day later. This provide extremely popular with those who attended and will be repeated in 2019-20.

Our annual member conference, The Gathering, was held this year at the Golden Jubilee Conference Hotel in Clydebank. In all 104 members attended, many coming to a Gathering for the first time (59% first time attendees, 41% previous attendees). As well as hosting the Annual Public Meeting of Scottish War Blinded, speakers included a representative from the RAF, the newly appointed Minister for Veterans Affairs and a Scottish War Blinded member speaking of his indoor climbing achievements. Information stands were available to members on a range of topics including specialist vision impairment equipment,

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

Action on Hearing Loss, Guide Dogs and the Armed Forces Advice Project. As in previous years, pampering sessions were available to the many carers who attended.

Feedback from the event was extremely positive. Members were asked to evaluate it from 1 to 5 (with 5 being the highest score). 93% gave the event a 5, with the other 7% giving it a 4. The venue proved so popular that the conference will return there for 2019.

### **Vision Hubs**

A high proportion of our members have a sight loss caused by age-related macular degeneration, and this condition is prevalent in the older population. Joint work was agreed with the Macular Society to raise awareness of both organisations and provide general advice and information about sight loss and the services available in a small number of areas in Scotland.

Events called Vision Hubs were held in Blairgowrie, Castle Douglas, Hawick and Kincaig. Relevant organisations such as the local Vision Impairment Societies, Guide Dogs, Deaf Blind Scotland and the local Talking Newspapers were invited to have stands alongside Scottish War Blinded and the Macular Society. The events proved popular and in all cases introduced people to support they had not been aware of. Particular appreciation was expressed that we had held these events in small towns where there are limited resources.

### **Holiday Cottage**

The upgraded cottage on the Linburn estate has proved highly successful and during 2018/19 was booked for 41 out of 52 weeks. Feedback has been good, with members and their families enjoying the tranquillity of the setting as well as the member having the opportunity to attend the Linburn centre and use its facilities. All those who returned feedback forms during the year were extremely satisfied with the standard of accommodation, and the cottage now has many members returning for a second, third or even fourth stay.

The popularity of the Gardener's Cottage has led to plans to upgrade the cottage on the corner of the Hawkhead site. This has been named Curlew Cottage after suggestions from members who attend the Hawkhead Centre, and work has started to ensure a second, high quality, vision impairment-friendly setting for our members.

### **Housing**

Permanent housing on the Linburn estate includes 22 houses at Linburn, including four accessible bungalows. At 31 March 2019, ten were let to members or widows of members, nine are let to the public and three are empty.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

### **UK Military themed trip**

Once again in 2018-19 it was agreed to arrange a UK-based trip concentrating on military matters, rather than return to the European battlefields.

The trip took place in September and was enjoyed by 15 members from all over Scotland. The trip focussed on the centenary of the RAF and included a visit to the Imperial War Museum site at Duxford. Members spent a full day exploring the 9 different exhibitions showing aircraft from the first and second world wars through to more modern day exhibits including the American B52 and stealth bombers, the tornado and the more recent European Fighter. Day two saw a visit to the World War 2 air field at Stow Maries followed by a visit to the combined service museum in Maldon. Feedback from members on all aspects of the trip has been very positive.

### **Remembrance Day parade**

For the first time in November 2018, representatives of Scottish War Blinded took part in the Remembrance Day parade at the Cenotaph in London. This was a particularly moving occasion as it marked the end of World War 1. Twelve members took part, accompanied by staff, and enjoyed a full weekend in London as well as the parade. The positive feedback means that tickets for the parade in 2019 have already been requested.

### **Marketing and external relations**

The marketing and communications priority continues to be awareness raising, focusing on the eligibility criteria for Scottish War Blinded. Referrals continue to increase year on year as awareness of and engagement with our work increases.

Towards the end of 2018, two additional staff members were recruited to form a small marketing and communications team of three full time staff.

A new PR role has enabled Scottish War Blinded to begin to expand the geographical spread of PR coverage and significantly increase the volume of PR produced. Since October 2018 a total of 67 press releases were distributed and this resulted in 380 items of coverage across print, online radio and TV broadcast.

PR activity has focused on introducing the charity to areas where we have previously had no press coverage.

A new role was created to increase the volume and quality of communications targeted at our current members. The aim has been to increase engagement and interest in the opportunities which membership can provide.

## **REPORT OF THE TRUSTEES (Continued)** **Achievements and Performance (continued)**

Stakeholder engagement continues to be an on-going area of development with an increase in referrals evidence that work to build relationships is of merit. Activity to promote the developments at the Hawkhead Centre has contributed to our membership growing in the areas surrounding the Centre in particular.

Marketing and outreach staff exhibited at a wide range of events, including Armed Forces Days and events relating to sight loss and older people. Presentations were useful for engaging relevant local groups with our work.

### **Research**

We became a founding partner in Action Against AMD (AAA) along with three other leading sight loss charities: Blind Veterans UK, Fight for Sight and the Macular Society. AAA's main objective is to facilitate the funding of medical research aimed at finding an effective treatment for early-stage Age-related Macular Degeneration (AMD).

AMD is one of the leading causes of blindness in the world and a significant cause of sight loss amongst our members. Around 10 million people have late-stage AMD globally. It is the most common cause of sight loss in the developed world. In the UK alone, there are more than 600,000 people whose sight is affected by this devastating disease. With world populations ageing, AMD cases are expected to double by 2040.

Action Against AMD's vision is a world where AMD is stopped before it causes sight loss. Their aim is to develop a therapy that will stop or significantly slow the development of late-stage, blinding, AMD. AMD destroys central vision leaving a person unable to read, drive, or recognise faces. It is associated with social isolation, loneliness, falls, poorer general health and significant mental illness including depression and even suicide.

### **Plans for the future**

The strategic review of Scottish War Blinded, agreed last year, has now started. The focus of the review will be to develop short, medium and long-term plans and priorities for the charity as the external environment changes. It is anticipated that this work will be concluded by the end of March 2020.

### **PEOPLE**

All members of the War Blinded Committee of The Scottish National Institute for the War Blinded automatically joined the War Blinded Committee of Scottish War Blinded on 1 April 2017.

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

## **REPORT OF THE TRUSTEES (Continued)**

### **People (Continued)**

There have been no changes during the year to senior staff members.

### **Gender Pay Gap**

The Scottish War Blinded gender pay gap report was published voluntarily in February 2019. The report shows that in April 2018 our gender pay gap was negative (mean at -23.5%, median at -36.2%), which means that on average women were paid more than men. This is due to the types of roles men occupied across the organisation at the time. Our staff numbers in Scottish War Blinded are however 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 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 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.

### **Investment**

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.

## **REPORT OF THE TRUSTEES (Continued)** **Policies (Continued)**

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 returns
- 75% multi-asset funds to provide exposure to active asset allocation as a source of potential returns
  - 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

### **Reserves policy**

The charity's financial plans are based on a long term 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, highlighted above under 'Future Plans' will serve to keep this reserves policy under review.



## **REPORT OF THE TRUSTEES (Continued)** **Policies (Continued)**

The present position is as shown in note 10 to the accounts. Total funds are £65 million, all unrestricted as to their purpose. Of that £65 million, £16 million can only be realised by disposing of tangible fixed assets and £48.8 million is in investments. Our free reserves are therefore £200,000 but our investments of £48.8 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.

### **PENSION PROVISION**

The Trustees operate 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.

### **FINANCIAL REVIEW**

Income is shown in total at £2.3 million, derived from legacies, donations and charitable activities. Income from legacies at £928,000 is higher than our budgeted income of £650,000 and is much higher than last year's receipts of £238,000. Investment income is also higher and represents 2.2% of the closing market value of our investments.

Expenditure at the Linburn Centre was 2% above budget due mainly to some maintenance issues with the Centre now being opened for eight years. Financial support to members continues to decrease as we lost some of our more long-standing members in the last year.

Our new centre in Paisley was less than 1% above budget in expenditure terms and this was mainly due to increased transport costs as a result of so many members wishing to attend.

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 £2.9 million. This is in line with our strategy to utilise our reserves for the benefit of members and developing innovative services for them.

Gains in the value of the investments totalled £1.5 million, with gains being made across all of our investment instruments. 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 £1.3 million.

## **REPORT OF THE TRUSTEES (Continued)** **FINANCIAL REVIEW (continued)**

The balance sheet shows tangible fixed assets of £15.5 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 £49 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 September 2019 and have concluded that the Charity continues to operate on a going concern basis.

### **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.



Gwenn McCreath, Chair  
28 August 2019

## **INDEPENDENT AUDITOR'S REPORT TO TRUSTEES OF SCOTTISH WAR BLINDED**

### **Opinion**

We have audited the financial statements of Scottish War Blinded ("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 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.

## INDEPENDENT AUDITOR'S REPORT TO TRUSTEES (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.

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.



## INDEPENDENT AUDITOR'S REPORT TO TRUSTEES (continued)

### 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.

*Bao LLP*

BDO LLP, statutory auditor  
Edinburgh, UK

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	2019 £000	2018 £000
<b>Income from:</b>	<b>3</b>		
Transfer from Scottish National Institute for the War Blinded			67,968
Donations and legacies		1,112	313
Charitable activities:			
Linburn Centre		-	-
Hawkhead Centre		-	-
Outreach and member services		-	2
Let property		94	93
Total charitable activities		94	95
Investments		1,060	865
Other		-	-
<b>Total</b>		<b><u>2,266</u></b>	<b><u>69,241</u></b>
<b>Expenditure on:</b>	<b>4</b>		
Raising funds		-	5
Charitable Activities:			
Linburn Centre		1,336	1,329
Hawkhead Centre		1,071	543
Outreach and member services		1,638	1,103
Let property		198	192
Financial support to members		784	839
Grant giving to other charities		123	16
Total charitable activities		5,150	4,022
Other		-	-
<b>Total</b>		<b><u>5,150</u></b>	<b><u>4,027</u></b>
Net (expenditure)/income before investment gains		(2,884)	65,214
Net gains on investments		<u>1,507</u>	<u>1,290</u>
Net (expenditure) / income		<u>(1,377)</u>	<u>66,504</u>
<b>Other recognised gains and losses</b>			
Actuarial (loss) on defined benefit pension scheme	11	<u>(30)</u>	<u>(4)</u>
<b>Net movement in funds</b>		<b><u>(1,407)</u></b>	<b><u>66,500</u></b>
<b>Reconciliation of funds:</b>			
Total Funds at 31 March 2018		<u>66,500</u>	-
<b>Total Funds at 31 March 2019</b>	<b>10</b>	<b><u>65,093</u></b>	<b><u>66,500</u></b>

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

The notes on page 25 to 37 form part of these financial statements.

**BALANCE SHEET AS AT 31 MARCH 2019**

	Notes	2019 £000	2018 £000
<b>Fixed Assets</b>			
Tangible assets	6	15,536	15,585
Investments	7	<u>48,876</u>	<u>50,591</u>
Total fixed assets		64,412	66,176
<b>Current Assets</b>			
Debtors	8	681	123
Cash at Bank and in Hand		<u>493</u>	<u>740</u>
Total current assets		1,174	863
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	<u>(493)</u>	<u>(539)</u>
Net Current Assets		<u>681</u>	<u>324</u>
<b>Net Assets excluding pension liability</b>		<u>65,093</u>	<u>66,500</u>
Defined benefit pension scheme liability	11	<u>-</u>	<u>-</u>
<b>Net Assets</b>		<u>65,093</u>	<u>66,500</u>
<b>Represented by</b>			
<b>Unrestricted Funds</b>			
General fund	10	61,979	65,393
Investment reserve	10	3,114	1,107
Designated fund	10	-	-
Pension reserve	11	<u>-</u>	<u>-</u>
Total unrestricted funds		<u>65,093</u>	<u>66,500</u>
<b>Total Funds</b>		<u>65,093</u>	<u>66,500</u>

Approved by the Trustees and signed on their behalf



Gwenn McCreath  
Chair

28/3/19

The notes on page 25 to 37 form part of these financial statements.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

	<b>2019</b>	<b>2018</b>
	£000	£000
<b>Reconciliation of net income/expenditure to net cash flow from operating activities</b>		
Net income as per the SOFA	(1,377)	66,504
<b>Adjustments for:</b>		
(Gains) on investments	(1,507)	(1,290)
(Gain) on sale of fixed assets	-	(2)
Adjustment to pension costs	5	4
Depreciation charges	527	377
Donation from Scottish National Institute for the War Blinded, net of cash received	-	(67,565)
(Increase) in debtors	(554)	1,199
(Decrease) in creditors	48	266
Interest and dividends	(1,060)	(865)
Pension scheme deficit recovery	<u>(34)</u>	<u>(34)</u>
<b>Net cash used in operating activities</b>	<b><u>(3,952)</u></b>	<b><u>(1,406)</u></b>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	1,056	906
Purchase of property, plant and equipment	(561)	(2,504)
Proceeds from sale of property, plant & equipment	-	9
Proceeds from sale of investments	3,750	4,572
Purchase of investments	<u>(541)</u>	<u>(815)</u>
<b>Net cash provided by investing activities</b>	<b><u>3,704</u></b>	<b><u>2,168</u></b>
<b>Change in cash and cash equivalents</b>	<b><u>(248)</u></b>	<b><u>762</u></b>
Cash and cash equivalents at the beginning of the reporting period	<u>762</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period	<u><u>514</u></u>	<u><u>762</u></u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	493	740
Cash held for investment	<u>21</u>	<u>22</u>
Total cash and cash equivalents	<u><u>514</u></u>	<u><u>762</u></u>

The notes on page 25 to 37 form part of these financial statements.





## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

### **1 PRINCIPAL ACCOUNTING POLICIES**

Scottish War Blinded, 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.

Scottish War Blinded 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 Scottish War Blinded 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 Scottish War Blinded and concluded that it operates on a going concern basis. Forecasts have been produced to March 2021.

#### **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.

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

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 Royal Blind 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 10.

**i) Pension Costs**

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

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

### **PRINCIPAL ACCOUNTING POLICIES (continued)**

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 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.

#### **j) Financial instruments**

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

## **2 JUDGEMENTS AND ESTIMATES**

The preparation of these financial statements has required the 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 11.
- 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.

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

**3 INCOME**

	<b>2019</b>	<b>2018</b>
	£000	£000
a) Transfer from Scottish National Institute for the War Blinded	<u>        </u> -	<u>67,968</u>

The Scottish National Institute for the War Blinded transferred all of its assets to Scottish War Blinded on 1 April 2017. The Scottish National Institute for the War Blinded ceased operations on 31 March 2017 and all staff and operations also transferred to Scottish War Blinded on 1 April 2017. The Transfer of assets from The Scottish National Institute for the War Blinded consisted of the following:

	<b>£000</b>
Tangible fixed assets	13,874
Investments	<u>53,057</u>
<b>Total Fixed assets</b>	<b><u>66,931</u></b>
Debtors	1,363
Cash in bank and hand	<u>380</u>
<b>Total Current Assets</b>	<b><u>1,743</u></b>
Creditors: amounts falling due	
Within one year	<u>(682)</u>
<b>Net Current Assets</b>	<b><u>1,061</u></b>
<b>Net Assets excluding pension Liability</b>	<b><u>67,992</u></b>
Defined benefit pension scheme liability	<u>(24)</u>
<b>Net Assets</b>	<b><u>67,968</u></b>

The Trustees consider there to be no material difference between the fair value and carrying value of the assets and liabilities and accordingly no adjustments were required.

	<b>2019</b>	<b>2018</b>
	£000	£000
b) <b>Donations and legacies</b>		
Legacies	928	238
Other donations and grants	<u>184</u>	<u>75</u>
Statement of Financial Activities	<u>1,112</u>	<u>313</u>



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

**3 INCOME (continued)**

	<b>2019</b>	<b>2018</b>
	£000	£000
<b>c) Investments</b>		
Dividends	1,060	865
Bank interest	-	-
Statement of Financial Activities	<u>1,060</u>	<u>865</u>

**c) Charitable activities**

Outreach and member services: Gain on disposal of fixed assets	-	2
Let property:		
Rental Income	<u>94</u>	<u>93</u>
	<u>94</u>	<u>95</u>

**4 EXPENDITURE**

	<b>Activities undertaken directly</b>	<b>Support Costs</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£000	£000	£000	
<b>Raising funds</b>				
Investment managers fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
<b>Charitable activities</b>				
Linburn Centre	1,132	204	1,336	1,329
Hawkhead Centre	954	117	1,071	543
Outreach and member serv's	1,400	238	1,638	1,103
Let properties	167	31	198	192
Grant giving to organisations	123	-	123	16
Financial support to members				
Direct cost	730	-	730	796
Administration	45	9	54	43
Total	<u>775</u>	<u>9</u>	<u>784</u>	<u>839</u>
Total charitable activities	<u>4,551</u>	<u>599</u>	<u>5,150</u>	<u>4,022</u>
<b>Total Expenditure</b>	<u>4,551</u>	<u>599</u>	<u>5,150</u>	<u>4,027</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Support costs of £599,000 (2018, £515,000) include a £485,000 charge paid to Royal Blind which covers management, finance, human resources, IT, facilities management and marketing, and Governance costs of £20,000. Governance costs are external audit fees of £20,000. Other support costs of £115,000 include direct marketing, report costs and administrative expenses.

5 STAFF NUMBERS AND COSTS	2019	2018
	£000	£000
Wages and salaries	1,513	1,089
Social security costs	133	98
Pension contributions	86	61
Adjustment to FRS102 basis	45	36
Pension costs	<u>131</u>	<u>97</u>
Total staff costs	<u>1,777</u>	<u>1,284</u>

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

	2019 FTE	2019 Head	2018 FTE	2018 Head
Managers	4	5	4	4
Linburn Centre	17	21	16	19
Hawkhead Centre	16	20	6	8
Outreach Service	15	16	12	13
Administration	<u>7</u>	<u>8</u>	<u>5</u>	<u>6</u>
	<u>59</u>	<u>70</u>	<u>43</u>	<u>50</u>

No remuneration has been paid to any Trustee or member of committee or Council in respect of their duties. Expenses totalling £18 were paid to one Trustee (2018, £0). No employee received emoluments exceeding £60,000.

Two members of staff are regarded by the Directors as being "Key Management" as defined in FRS102, these being the Chief Executive and the Head of Scottish War Blinded. The Chief Executive is also Chief Executive of Royal Blind, which pays the full remuneration and recovers the cost of Scottish War Blinded's portion through the management charge. The total remuneration of the Chief Executive for work with both charities and that of the Head of Scottish War Blinded, including national insurance and pension contributions, totalled £181,000, (2018, £179,000 which included a period of overlap with the retiring chief executive)

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

**6 TANGIBLE FIXED ASSETS**

	Heritable property £000	Furniture, equipment £000	Vehicles £000	Total £000
<b>Cost</b>				
Balance at 1 April 2018	15,087	340	519	15,946
Additions	242	16	220	478
Disposals	-	-	-	-
31 March 2019	<u>15,329</u>	<u>356</u>	<u>739</u>	<u>16,424</u>
<b>Accumulated depreciation</b>				
Balance at 1 April 2018	245	35	81	361
Charge for year	325	64	138	527
Disposals	-	-	-	-
31 March 2019	<u>570</u>	<u>99</u>	<u>219</u>	<u>888</u>
<b>Net book value</b>				
31 March 2019	<u>14,759</u>	<u>257</u>	<u>520</u>	<u>15,536</u>
31 March 2018	<u>14,842</u>	<u>305</u>	<u>438</u>	<u>15,585</u>

Included in heritable property is:

- land, which is not subject to a depreciation charge, £1,465,000 (2018, £1,465,000)
- capital work in progress, £203,000 (2018, £274,000).
- let properties, cost £1,562,000, accumulated depreciation £184,000 (2018, £151,000), net book value £1,378,000 (2018, £1,411,000).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 INVESTMENTS

	<b>2019</b>	<b>2018</b>
	£000	£000
Market value as at 1 April 2018	50,569	-
Additions at cost	541	53,849
Disposals at opening book value	<u>(3,732)</u>	<u>(4,566)</u>
	47,378	49,283
Change in market value in the year	<u>1,477</u>	<u>1,286</u>
Market value as at 31 March 2019	48,855	50,569
Cash held for investment	<u>21</u>	<u>22</u>
Total investments	<u>48,876</u>	<u>50,591</u>
Investments held at cost	45,741	47,090
Cash held for investment	<u>21</u>	<u>22</u>
Cost as at 31 March 2019	<u>45,762</u>	<u>47,112</u>
The market value represents:		
Investments listed on a recognised stock exchange		
United Kingdom	42,376	44,079
Rest of world	<u>6,479</u>	<u>6,490</u>
	<u>48,855</u>	<u>50,569</u>

Five Investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £10,702,000 (2018, £13,162,000)

The Partners Fund valued at £14,698,000 (2018, £14,388,000)

Henderson Multi Asset Credit Fund valued at £12,429,000 (2018, £13,113,000)

Legal and General International Index Trust valued at £6,479,000 (2018, £6,490,000)

Aberdeen Unit Trust Managers Charities Property Fund valued at £3,453,000 (2018, £3,407,000)

All investments are held to provide an investment return.



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

**8 DEBTORS**

	<b>2019</b>	<b>2018</b>
	£000	£000
Prepayments	21	12
Accrued income	660	110
Other debtors	<u>-</u>	<u>1</u>
	<u><b>681</b></u>	<u><b>123</b></u>

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

	<b>2019</b>	<b>2018</b>
	£000	£000
<b>Amounts Falling Due Within One Year</b>		
Suppliers	27	40
Accruals	133	240
Due to HMRC	37	30
Due to Royal Blind	<u>296</u>	<u>229</u>
	<u><b>493</b></u>	<u><b>539</b></u>

**10 UNRESTRICTED FUNDS**

	<b>General Fund</b>	<b>Inv'ment Reserve</b>	<b>Desig. Fund</b>	<b>Pension Reserve</b>	<b>Total</b>
	£000	£000	£000	£000	£000
Balance at 31 March 2018	65,393	1,107	-	-	66,500
Net (expenditure) / income before other recognised gains	(1,407)	-	-	-	(1,407)
Pension deficit recovery	(34)	-	-	34	-
Adjustment to Pension Reserve	34	-	-	(34)	-
Investment disposals, gains and losses	(2,007)	2,007	-	-	-
Actuarial gain	-	-	-	-	-
Balance at 31 March 2019	<u><b>61,979</b></u>	<u><b>3,114</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>65,093</b></u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 PENSION COSTS

The organisation, together with Royal Blind, 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% under-funded on an ongoing basis.

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:

	<b>at 31 March 2019</b>	<b>at 31 March 2018</b>
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 £66,000 (2018, £64,000) 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 2020 will be £67,000, 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 8 May 2019. 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.

<b>Assumptions</b>	<b>at 31 March 2019</b>	<b>at 31 March 2018</b>
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%

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

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

**11 PENSION COSTS (continued)**

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

<b>Assets</b>	<b>31 Mar 2019</b>		<b>31 Mar 2018</b>	
	£000	%	£000	%
Invested assets	<u>3,243</u>	<u>100</u>	<u>3,119</u>	<u>100</u>
Total	<u>3,243</u>	<u>100</u>	<u>3,119</u>	<u>100</u>

<b>Liability and Funded Status at 31 March</b>	<b>2019</b>	<b>2018</b>
	£000	£000
Fair value of plan assets	3,243	3,119
Value of funded oblig'ns	(3,054)	(3,031)
Restriction of surplus	<u>(189)</u>	<u>(88)</u>
Surplus/(Deficit)	<u>-</u>	<u>-</u>

<b>The charge to the Statement of Financial Activities</b>	<b>2019</b>	<b>2018</b>
	£000	£000
Service cost	36	36
Benefit changes	9	-
Net interest expense	<u>(3)</u>	<u>-</u>
Total included in employer expense	<u>42</u>	<u>36</u>

<b>Analysis of the change in the defined benefit obligation</b>		
Opening defined benefit obligation	3,031	3,115
Current service cost	36	36
Interest on obligation	74	79
Losses / (gains) due to benefit changes	9	-
Actuarial (gains)	82	(22)
Benefits paid	<u>(178)</u>	<u>(177)</u>
	<u>3,054</u>	<u>3,031</u>

<b>Analysis of the change in fair value of plan assets</b>		
Opening fair value of plan assets	3,119	3,091
Expected return on assets	77	79
Actuarial gains	154	62
Contributions	71	64
Benefits paid	<u>(178)</u>	<u>(117)</u>
	<u>3,243</u>	<u>3,179</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 PENSION COSTS (continued)

Analysis of actuarial gains/(losses)	2019 £000's	2018 £000's
Asset return (less interest income recognised in the SOFA)	154	62
Experience losses on benefit obligation	(4)	(19)
Effect of assumptions changes on benefit obligation	(78)	41
Restriction of defined pension asset	<u>(102)</u>	<u>(88)</u>
Total actuarial losses	<u>(30)</u>	<u>(4)</u>

History of Experience Gains and Losses	2019	2018
Difference between the asset return and the interest income recognised in the SOFA	154	62
- as % of scheme assets	5%	2%
Experience gains/(losses) on obligation	(4)	(19)
- as % of liabilities	0%	1%
Total amount recognised in the SOFA	72	84
- as % of liabilities	2%	3%

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

### 12 CONNECTED ORGANISATION

The Trustees of Scottish War Blinded are the directors of the Royal Blind Asylum and School, Edinburgh, operating as Royal Blind. Each is a separate charity having its own funds and properties. Royal Blind 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 Royal Blind amounting to £297,000 (2018, £229,000). The total value of transactions between the two organisations was £528,000 (2018, £458,000) and this consisted of administrative, maintenance and marketing support.

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

**13 FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	£000's	£000's
<b>Financial assets</b>		
Financial assets measured at fair value	48,885	50,591
Financial assets measured at amortised cost	<u>1,174</u>	<u>851</u>
	<u>44,933</u>	<u>51,442</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>456</u>	<u>509</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 Royal Blind.

**14 CAPITAL COMMITMENT**

At 31 March, there is a capital commitment of £120,000 for work on the Legion Building at Linburn (£103,000) and Walled Garden at Linburn (£17,000).

