

Sight Scotland Veterans

(Previously known as Scottish War Blinded)

Annual Report and Accounts For the year to 31 March 2022

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

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

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

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

Trustees (The Directors of Sight Scotland)

Michael Craig (Chair)

Graeme Bold

Mike Donnelly

Mike Martin (resigned 29 June 2022)

Jay Hogarty (resigned 22 September 2021)

David McArthur

Aidan McCorry

Michelle McWilliams

Stephanie Philips

Elizabeth Porterfield

Dianne-Dominique Theakstone

Catherine Topley

David McArthur

Catherine Topley

Dianne-Dominique Theakstone

Laraine Aikman (appointed 13 April 2022)

Sif Rai (appointed 13 April 2022)

Chief Executive and Secretary

Mark O'Donnell – Chief Executive (resigned 6 October 2022)

Theresa Shearer – Interim Chief Executive (20 October 2022 – 19 January 2022)

Craig Spalding – Chief Executive (appointed 24 January 2022)

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

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

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

Solicitors - Thorntons, Citypoint, 3rd Floor, 65 Haymarket Terrace, Edinburgh, EH12 5HD

Investment Advisers - Willis Towers Watson, Watson House, London Road Reigate Surrey, RH2 9PQ

Year ended 31 March 2022

Objectives

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

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

We are there to support veterans with sight loss by:

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

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

Report of the Trustees

Chair's Statement

On behalf of my fellow Trustees, I would like to thank everyone who has contributed so much to the mission of Sight Scotland Veterans. The period which this report covers has, in common with the previous reporting year, been dominated by the Coronavirus pandemic and its impact on our beneficiaries, staff and other stakeholders. Our services to veterans and their families have inevitably been affected by the COVID-19 restrictions that have been in place throughout Scotland during the period. Despite these restrictions, our dedicated members of staff and volunteers have done a wonderful job in supporting over 1,400 veterans to live as independently as possible and taking forward substantial organisational changes, not least the transition to our new Chief Executive Craig Spalding, who I was pleased to welcome to Sight Scotland Veterans in January 2022.

Our people, structure and governance

The Trustees have pleasure in presenting their report for the year ended 31 March 2022. This report is prepared in accordance with the constitution and the recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities and complies with applicable law.

Statement of Trustees responsibilities

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

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

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

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

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

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

Structure, governance and management

Sight Scotland Veterans is a Scottish Charitable Incorporated Organisation (SCIO) – charity number S047192. This charity has operated since April 2017, having assumed the engagements, assets and liabilities of The Scottish National Institute for the War Blinded, an unincorporated charity. The Scottish National Institute was founded by the Royal Blind Asylum and School in 1915 to meet the needs of those returning to Scotland with visual impairment from the First World War. Today, the

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charity is governed by its Trustees, who are also the Directors of Sight Scotland (formerly known as the Royal Blind Asylum and School), which is a separate charity (Charity number SC017167). Sight Scotland Veterans shares corporate resources with Sight Scotland, although Sight Scotland is financially separate, has its own charitable objectives and neither organisation exerts control over the other. The Trustees of Sight Scotland Veterans actively manage their obligation to respect the separate legal status of the two charities.

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

The Chief Executive, Craig Spalding, was appointed following an open recruitment process in January 2022 after the departure of Mark O'Donnell in October 2021. An interim Chief Executive, Theresa Shearer, was appointed to oversee the operations of the charity on a part time basis in the intervening period.

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.

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

The day-to-day management of Sight Scotland Veterans is delegated to the Chief Executive. The duties of the Chief Executive and other Head Office management cover both organisations. A charging structure is in place between Sight Scotland and Sight Scotland Veterans to ensure costs are appropriately allocated for shared roles.

Year ended 31 March 2022

Each service within Sight Scotland Veterans has a defined management structure and a manager accountable for it who reports to the Director of Services for Sight Scotland Veterans, who in turn reports to the Chief Executive. In previous years, the term "member" has been used to describe those who are eligible and willing to receive services and support and are known to Sight Scotland Veterans. No voting right or beneficial ownership is implied. During this year the use of the term "member" was phased out and the term "veteran" is now used to describe those in receipt of our services.

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

Board Members

David McArthur, Catherine Topley and Dianne-Dominique Theakstone were appointed as Trustees at the AGM on 8 December 2021, having served as interim Trustees since April 2021. Laraine Aikman and Sif Rai were appointed on 13 April 2022.

Jay Hogarty stepped down as a Trustee on 27 September 2021, and Mike Martin resigned on 29 June 2022.

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

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

Key Achievements and Performance

In common with the last reporting year, this year was again dominated by the management of the COVID-19 pandemic. No person or organisation has been left untouched by its effects and although restrictions have now been lifted, we continue to adopt best practice to keep our service users and staff safe. The pandemic brought with it opportunities to re-think working practices, leading us to adopt a number of new practices and procedures as a result.

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

Year ended 31 March 2022

Strategic Review

The Board has recognised the opportunity to increase the level of support it provides to veterans and the need to adopt new strategies to engage more people.

The Sight Scotland Veterans strategy was launched in September 2021. The strategic vision will support all veterans with sight loss no matter what the cause.

To achieve the strategic vision, the strategy has four goals with each goal having several objectives, 15 in total, all of which are summarised in Table 1.

Table 1: Strategic Goals and Objectives

Goal	Objective
1. Enhance the support we provide	1. We will support veterans to increase their emotional wellbeing
	2. We will support veterans to increase their financial wellbeing
	3. We will build our knowledge of Assistive Technology
	4. We will build a community of peers (self-management)
2. To remove barriers and become more accessible	1. How we tailor our existing services
	2. We will provide support quickly and easily (Support hub)
	3. Centre without walls
	4. We will review who we support
3. Understand what success looks like and ways to improve	1. We will understand the difference we are making (Impact Framework)
	2. We will work alongside our community (coproduction)
	3. We will respond to what people tell us (Innovation)
4. Use our resources wisely	1. We will develop an operating model which meets our needs
	2. We will prioritise those in need
	3. Involving volunteers in our work
	4. Right technology for the job (CRM / case management)

To ensure effective delivery of the strategy, Project Initiation Documents (PID) have been prepared and submitted to the Community Committee on behalf of the Board to confirm the viability of the objectives and to provide assurance to the Board about the deliverability of each element of the strategy. This work defines the costs of the project, the resource implications and details the activities that must be completed to achieve the objective. They also include dependencies with corporate functions, risks and opportunities, and potential synergies with Sight Scotland and other partners.

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The delivery of each objective will be monitored by the Community Committee using Key Performance Indicators (KPIs) proposed within each PID that will provide a framework for reporting to the Community Committee and Board on progress being made towards achieving the strategic vision.

The potential level of investment estimated is an increase in annual operating costs of £470K and a further reallocation of existing budget of £200K. Most of the expenditure relates to new staff to build specialist expertise. It was agreed that there would be a net increase of 15 staff, which includes recruitment of new staff and repurposing of existing posts. A staged approach has been adopted to the recruitment, based on the demand for the new services that are being launched and developed.

Service Delivery

During the year a review was undertaken on the staffing structures and the way in which services are delivered to improve the focus on veterans' needs and improve the processes and governance that underpin our services. The two main service areas are now Independent Living which covers the former outreach and rehabilitation service and Wellbeing which brings the two activity centres at Hawkhead and Linburn under one overall manager, as well as new services under development that will provide information and support via telephone and other digital media.

The two main services are supported by an Impact and Innovation Manager and an Operational Support Manager.

Independent Living

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

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

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

- low vision assessments
- specialist equipment to assist with independence

- mobility and independent living skills training and advice.

Wellbeing

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

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

Partner organisations such as Royal National Institute for Deaf People and the Armed Services Advice Project have held clinics at the centres recently.

Managing COVID-19

Sight Scotland Veterans continued to maintain services as safely as possible making adaptations to service delivery when we were able to. We had to close our two-day centres as part of the lockdown restrictions but our Independent Living service was maintained through regular contact with members by telephone in order to reassure them and mitigate loneliness.

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

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

Veterans Receiving Support

Between April 2021 and March 2022 Sight Scotland Veterans provided services to a total of 1,677 veterans overall. At the end of March 2022 Sight Scotland Veterans had 1,407 veterans registered. The total number of veterans served in a year provides a more accurate assessment of the overall workload on services. Given the advanced age of the majority of veterans we serve, a number do pass away during the year and that is why we are focussing on reaching as many eligible veterans as we can.

The Hub

At the end of 2020, veteran phone groups were established to provide social support during lockdown due to centre closures. Due to their continued popularity, a separate service was launched and named the Hub.

Phone groups can be topic based such as reminiscence groups and quizzes through to art classes and wellbeing sessions. The Hub runs 24 sessions per week with 115 veterans registered to participate in the groups.

The Hub has been a well-used and valued service. The key findings of a qualitative analysis showed that the opportunity to build “connections with others” encouraged participation rates.

Christmas Volunteering Support

For the second year running 18 volunteers provided two calls each to 38 veterans over the Christmas period. Veterans who would value a call over the period were identified by outreach workers, recognising that this was a difficult time for many of them.

Trustees, volunteers and staff from both Sight Scotland and Sight Scotland Veterans participated. The feedback was very positive from veterans who were appreciative of the time given up by volunteers.

Charles Bonnet Support Group

Charles Bonnet Syndrome (CBS) is a syndrome that affects people with deteriorating sight, and it can cause visions and hallucinations. The rehabilitation team regularly run four-week sessions, first established during February 2021. We have partnered with Esme’s Friend, a national specialist charity, and received guidance in setting up a support group. We are now on our seventh session. The groups build knowledge, skills and confidence to manage this condition.

Medical research

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

Allowances

The Board has agreed to discontinue the payment of the Christmas Allowance, to better target the charity's resources. A small number of allowances are still being paid to eligible veterans and these are being kept under review.

Marketing

The priority for marketing has been to further promote the new brand and to attract new service users through advertising campaigns and press coverage. The campaigns have succeeded in attracting new referrals and strengthening brand awareness.

Policy

Policy work focussed on the Scottish Parliament elections in May 2021 for which we launched our first manifesto "Time to Focus on Sight Loss", jointly with Sight Scotland. The policy calls highlighted in the manifesto were promoted through a social media campaign, and 80 candidates supported the pledge. The key policy call was for a new national low vision service to be established, and this was endorsed by three political parties. Ahead of the elections, we worked with the Electoral Commission to raise awareness of support and information available for blind and partially sighted voters.

We were delighted to be able to hold our first networking event in the Scottish Parliament since before the pandemic which was hosted by Maree Todd MSP, the Minister for Public Health, Women's Health and Sport.

We also launched #OurFairRailVision campaign calling on the Scottish Government to work with local authorities to establish a new national policy for free rail travel across Scotland for those with a National (Scotland) Concessionary Travel for Blind Persons card and their companions. Several of our veterans fed into the design and messaging for this campaign.

Corporate Resources

Head Office Relocation

We relocated our head office functions to 2A Robertson Avenue from our previous head office building at 50 Gillespie Crescent and re-registered our address accordingly. Gillespie Crescent was a small and outdated facility and a move had been long overdue. Prior to the pandemic, the Board had agreed to re-locate to the office premises purchased for the Scottish Braille Press at Robertson Avenue. Refurbishment was carried out during the pandemic period and notice was served on the tenants to leave. Once the pandemic restrictions had been eased in August it became possible to introduce head office staff to Robertson Avenue on a phased

basis and the building became fully operational following the easing of the third lockdown early in 2022.

The Gillespie Crescent site will be marketed for sale during 2022/23.

Re-Tendering of Investment Managers

The contractual arrangements for managing the investments of Sight Scotland and Sight Scotland Veterans were put out to competitive tender. The Trustees felt that a refreshed strategy for the management of our investments was required after a steady period of consolidation and progress with the support of our investment adviser, Barnett Waddingham. An increased focus on ESG (Environmental, social and governance factors) and the achievement of financial goals across the organisation provided an opportunity to think afresh. A differentiated investment strategy was a key requirement of the tender to reflect the different stages of development of the two charities

Willis Towers Watson (WTW) were appointed to provide both strategic advisory capacity and access to the WTW partners fund which has a demonstrable track record of providing superior yields at a lower risk than comparable offers. The Trustees are confident that Sight Scotland Veterans will benefit from the global reach and scale of WTW in the long term.

Work is ongoing with WTW to realign our existing investments with the agreed target portfolio.

Employment Practices at work

Investors In People

We continue to maintain our Investors in People accreditation and we will be reassessed in 2022-23. The key development building on our three core values: Transform, Unite and Thrive, has been the launch of our new staff recruitment and appraisal processes which was re-designed and re-launched during 2021-22. The values statements were further embedded through staff communications and the introduction of new internal staff "way of working" award schemes which we called our "WOW" awards. Nominations were sought for colleagues who embody these values and a recognition event was held to celebrate the highest achievers.



Safeguarding

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

Volunteering

We are rebuilding our volunteer base following Covid-related restrictions, focussing on volunteer recruitment and identifying opportunities for volunteer engagement such as befriending, group facilitation, driving, and production of an audio magazine.

We provide training on working with volunteers to all our staff, and a further course for those staff with direct responsibility for supporting volunteers.

We contributed to the development of The Scottish Government's Volunteer Action Plan, which was launched in June 2022. Our Volunteer Development Manager served on its governance group.

Gender Pay Gap

On 5 April 2021 the Sight Scotland Veterans workforce consisted of 37 full pay relevant employees, out of which 30 (81%) were female and 7 (19%) were male. However, 43 employees were excluded from calculations due to being on furlough (49% of these were female and 51% male), which makes up more than half of all employees. This has a significant impact on our figures reported this year.

In April 2022, the median gender pay gap was negative at -1.4% (-31.7% in 2020/21), which means that on average our female staff are paid more than our male staff. At -5% (-18.5% in 2020/21) the mean gender pay gap was higher than the median.

Our staff numbers in Sight Scotland Veterans are fairly low overall, so even small fluctuations can have a significant impact on our gender pay gap. Sight Scotland Veterans does not directly employ any head office staff as these functions are provided by Sight Scotland (this includes the Chief Executive, Finance, IT, HR, Facilities, and Marketing and Communications) and re-charged appropriately.

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

Employment of people with disabilities

Our records show that, when those who prefer not to say are excluded, 9% of employees have indicated that they have a disability.

Breakdown of Ethnicity of employees

White Scottish	51.2%
White British	23.3%
White other	1.2%
Chinese, Indian, Scottish / British Asian, British African	0.0%
Not stated	19.8%
Other Ethnic Background	2.3%
Mixes/multiple ethnic group	2.2%

Policy on reserves, pension and risk

Risk Management

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

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

- A failure to maximise public awareness of Sight Scotland Veterans and its services
- Ineffective financial management which fails to support the short-term operations and long-term viability of the charity
- A failure to manage our digital resources effectively
- A failure to achieve the right momentum in managing change and/or to adapt to internal and external factors (including the recent sharp increase in inflation and energy costs)
- A failure to successfully recruit, retain and engage our staff in support of the charity's operational and strategic objectives
- A major incident or event that severely disrupts business operations.

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

Investment Policy

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

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

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

The organisation's investment principles are:

- To regard the invested reserve as partly short to medium term and partly long term, and therefore to invest a set amount in lower risk assets (bonds

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and cash), and the remainder in equities or similar asset classes to provide capital growth as well as income.

- To monitor annually the expected need to realise assets over the next three to five years and adjust the part of the portfolio that is held in investments with low short to medium term value fluctuation on a timescale that fits with the market circumstances pertaining at the time.
- To place the portfolio in management by competent and successful investment managers at a competitive fee level.
- To set performance benchmarks for the section of the portfolio managed by each investment manager, against which the manager's performance will be monitored.
- To invest in multiple markets so as not to expose the whole portfolio to a single set of national or sectoral circumstances.

The investment strategy for our overall asset allocation is being developed with our new investment adviser (WTW) and we are currently transitioning to a new strategy. The strategy up to March 2022 was as follows:

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

We are now in the process of transitioning to the following investment strategy:

- 60% Diversified portfolio of actively managed or alternative investments, including private markets (WTW Partners Fund)
- 25% Global Credit (Multi Asset Credit)
- 5% Global Equity
- 10% Cash.

We are working towards a portfolio that complies with appropriate standards for Environmental, Social and Corporate Governance. We believe that our portfolio has limited or no direct exposure as a result of the current conflict in Ukraine.

Pension Provision

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

Reserves Policy

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

The present position is as shown in note 11 to the accounts. Total funds are £62 million, all unrestricted as to their purpose. Of that £62 million, £14.3 million can only be realised by disposing of tangible fixed assets and £47.6 million is in investments. Our free reserves are therefore £0.1 million but our investments of £47.6 million (2021, £46.2 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 terms. The Trustees have agreed that the charity should hold a minimum reserve of 12 months running costs (currently £5 million) and this is currently well within our free reserves. We will continue to deploy our reserves for the benefit of the people who use our services and in line with our constitution whilst ensuring that the level of reserves does not fall below our current minimum level.

Plans for our future direction

Strategy Development

The new Chief Executive is leading a review of our organisational strategy focussing on the organisation's internal capability and resources and the likely areas of demand for visual impairment support and services and opportunities to invest in medical and technological innovation that will make a long-term impact. A particular focus is on defining more clearly what is meant by increasing our reach, particularly in a world of increasing demand for digital service and a wider appreciation of the community and family support required to support those people, including veterans, with a diagnosis of sight loss.

Environmental, Social and Governance (ESG)

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

Performance Management

The Trustees are developing an approach to the management of performance and the better understanding of our desired and actual impact on visually impaired people in Scotland with the support of a Board-led key performance working group. It is intended to produce a performance indicator framework to monitor the implementation of our organisational strategies, and to track progress of these over time.

Corporate Services

Corporate services strategies have been redeveloped, particularly the organisational approach to both providing and using digital services. The Trustees have indicated a willingness to invest in digital platforms and services to enable efficiency and greater mobility and flexibility of staff as we seek to grow our services nationwide, and to rely less on providing services from fixed locations. Digital enablement and re-enablement will become a key part of our offering to visually impaired people. We

will seek opportunities to commission services and work with partners who share our vision.

Policy and Research

The Trustees have invested in greater resources for research and policy in order to provide greater insight and influence for policy making at local and national levels and to support a greater understanding of the needs of people with visual impairment, including medical treatments. Powerful research products and appropriate media coverage will support our policy function in establishing Sight Scotland and Sight Scotland Veterans as the leading voices of visually impaired people whose need have often been overlooked in wider policy making.

This includes the investment of up to £1 million (of which £500K will be funded by Sight Scotland) in a programme related investment in a research vehicle Foresight, which has been established by the charity AAAMD. The aim of the investment is primarily to support the establishment of a nationwide data base of optical images that can be used by researchers to develop treatments for macular degeneration. Whilst this investment is fundamentally aimed at promoting our charitable interests, it also aims to create a return of up to 178% of the original investment over a term of ten years. Future Annual Reports will comment on its progress.

Our Financial Review

Income is shown in total at £1.6 million, derived mainly from investments and legacies. Income from legacies at £477K is showing a marked increase from last year's receipts of £181K. Investment income was £860K (2021, £884K).

As a result of COVID-19 measures, the Hawkhead and Linburn Centres were closed for veterans' activities, and the Outreach service was suspended for direct meetings with veterans.

Expenditure at the Linburn Centre was slightly less than last year at £1.14 million (2021, £1.18 million), and financial support to veterans continues to decrease as some of our veterans died during the year. Total expenditure for financial support was £612K (2021, £678K).

The Hawkhead Centre in Paisley has shown increased total expenditure of £1.16 million (2021, £1.14 million).

The Outreach Service reports expenditure of £2.14 million for the year (2021, £1.88 million). Although Outreach workers have not been able to meet veterans directly during the year, they continued to support them with regular phone calls and arranged any equipment required to be delivered to their homes.

The result from our operations, including everything except the gains on our investments and the actuarial gain on the pension scheme, was a deficit of £3.7 million. This is in line with our strategy to utilise our reserves for the benefit of veterans and developing innovative services for them.

Investments recovered during the year, regaining losses reported in the previous year. The gains in the value of the investments totalled £4.1 million. We have drawn from our investments during the year to sustain both capital and revenue expenditure.

The overall result (Net movement in funds) is an increase of £250K.

The balance sheet shows tangible fixed assets of £14.3 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 £48 million in a managed fashion in order to maximise returns.

Going Concern

The Trustees have discussed the level of reserves in relation to future plans and forecasts for income and expenditure to March 2025 and have concluded that the charity continues to operate on a going concern basis. As the charity does not rely

Year ended 31 March 2022

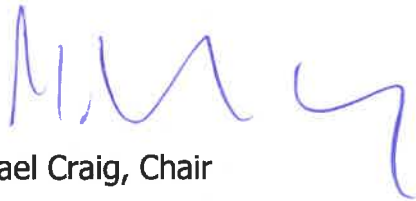
on fundraising for its operations and has reduced costs whilst the day centres are closed and the Outreach service paused, the effects of COVID-19 are not a direct threat to our financial stability. However, the continuing volatility in investment values is likely to have an adverse effect should we require to draw down upon our investments for cashflow purposes.

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

Provision of information to auditor

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

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



Michael Craig, Chair

15 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SIGHT SCOTLAND VETERANS FOR THE YEAR ENDED 31 MARCH 2022

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 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, as amended.

We have audited the financial statements of Sight Scotland Veterans ("the Charity") for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

Conclusions related to going concern

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

Year ended 31 March 2022

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

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

Other information

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

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. 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 themselves. 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 given in the Trustees' Report is inconsistent in any material respect with the financial statements;
- 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

The procedures that we designed and executed included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- reading minutes of meetings of those charged with governance; reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations;

Year ended 31 March 2022

- assessing the design and implementation of the control environment to identify areas of material weakness to focus the design of our audit testing;
- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with 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) and the Charities SORP (FRS 102);
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business;
- vouching balances and reconciling items in key control accounts reconciliations to supporting documentation as at 31 March 2022; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate supporting documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

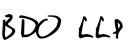
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

BDO LLP, statutory auditor

Edinburgh, UK

DocuSigned by:

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Date: 20 September 2022

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

Year ended 31 March 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Income from:	3		
Donations and legacies		530	223
Charitable activities:			
Linburn Centre		-	100
Hawkhead Centre		-	71
Outreach and member services		2	34
Let property		82	85
Total charitable activities		84	290
Sundry Income		138	228
Investments		<u>860</u>	<u>884</u>
Total		<u>1,612</u>	<u>1,625</u>
Expenditure on:	4		
Raising funds		19	(-)
Charitable Activities:			
Linburn Centre		1,139	1,185
Hawkhead Centre		1,162	1,135
Outreach and member services		2,141	1,875
Let property		181	278
Financial support to members		612	678
Grant giving to other charities		73	50
Total charitable activities		5,308	5,201
Other		-	-
Total		<u>5,327</u>	<u>5,201</u>
Net (expenditure) before investment (losses)/gains		<u>(3,715)</u>	<u>(3,576)</u>
Net gains /(losses) on investments		<u>4,066</u>	<u>8,343</u>
Net surplus		<u>351</u>	<u>4,767</u>
Other recognised gains and losses			
Actuarial (loss) on defined benefit pension scheme	10	<u>(101)</u>	<u>(109)</u>
Net movement in funds		<u>250</u>	<u>4,658</u>
Reconciliation of funds:			
Total Funds at 31 March 2021		<u>61,817</u>	<u>57,159</u>
Total Funds at 31 March 2022	11	<u>62,067</u>	<u>61,817</u>

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

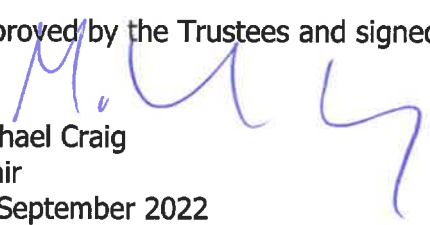
The notes on page 31 to 47 form part of these financial statements.

Year ended 31 March 2022

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £000	2021 £000
Fixed Assets			
Tangible assets	6	14,261	14,727
Investments	7	<u>47,563</u>	<u>46,168</u>
Total fixed assets		61,824	60,895
Current Assets			
Debtors	8	461	217
Cash at Bank and in Hand		<u>253</u>	<u>1,044</u>
Total current assets		714	1,261
Liabilities			
Creditors: amounts falling due within one year	9	<u>(471)</u>	<u>(339)</u>
Net Current Assets		<u>243</u>	<u>922</u>
Net Assets excluding pension liability		<u>62,067</u>	<u>61,817</u>
Defined benefit pension scheme liability	10	<u>-</u>	<u>-</u>
Net Assets		<u>62,067</u>	<u>61,817</u>
Represented by			
Unrestricted Funds			
General fund	11	49,570	52,501
Investment reserve	11	12,497	9,316
Pension reserve	10	<u>-</u>	<u>-</u>
Total unrestricted funds		<u>62,067</u>	<u>61,817</u>
Total Funds		<u>62,067</u>	<u>61,817</u>

Approved by the Trustees and signed on their behalf



Michael Craig
Chair
14 September 2022

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

Year ended 31 March 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2022 £000	2021 £000
Reconciliation of net income/expenditure to net cash flow from operating activities		
Net income / (expenditure) as per the SOFA	351	4,767
Adjustments for:		
(Gain)/Loss on investments	(4,066)	(8,344)
(Gain)/Loss on sale of fixed assets	-	(34)
Adjustment to pension costs	(1)	(57)
Depreciation charges	526	527
Decrease/(increase) in debtors	(210)	97
(Decrease)/increase in creditors	122	(135)
Interest and dividends	(860)	(884)
Pension scheme deficit recovery	<u>(100)</u>	<u>(51)</u>
Net cash used in operating activities	<u>(4,238)</u>	<u>(4,114)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	827	885
Purchase of property, plant and equipment	(51)	(146)
Proceeds from sale of property, plant & equipment	-	50
Proceeds from sale of investments	3,200	4,448
Purchase of investments	<u>(530)</u>	<u>(530)</u>
Net cash provided by investing activities	<u>3,446</u>	<u>4,707</u>
Change in cash and cash equivalents	<u>(792)</u>	<u>593</u>
Cash and cash equivalents at the beginning of the reporting period	<u>1,065</u>	<u>472</u>
Cash and cash equivalents at the end of the reporting period	<u>273</u>	<u>1,065</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	253	1,044
Cash held for investment	<u>20</u>	<u>21</u>
Total cash and cash equivalents (note 14)	<u>273</u>	<u>1,065</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 PRINCIPAL ACCOUNTING POLICIES

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

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

Sight Scotland Veterans constitutes a public benefit entity as defined by FRS102.

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

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

a) Accounting Conventions

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

b) Going Concern

The Trustees have discussed the level of reserves in relation to future plans and forecasts for income and expenditure to March 2025 and have concluded that the Charity continues to operate on a going concern basis. As the charity does not rely on fundraising for its operations and has reduced costs while the day centres are closed and the Outreach service paused, the effects of Covid-19 are not a direct threat to our financial stability. However, the

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

continuing volatility in investment values is likely to have an adverse effect should we require to draw down upon our investments for cashflow purposes.

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

c) Income

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

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

d) Expenditure

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

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

e) Tangible Fixed Assets

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

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

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

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

f) **Investments**

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

g) **Cash and cash equivalents**

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

h) **Fund Accounting**

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

i) **Pension Costs**

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

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

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

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

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

The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 2022. This is a consistent basis for the preparation of these accounts.

The Scheme Actuary has however used a different basis of calculation in the triennial valuation as at 31 March 2019 and this indicated a deficit of £6.8Million on a Scheme funding basis and a deficit of £21.9Million on a solvency valuation basis. The Directors of Sight Scotland, who are also the Trustees of Sight Scotland Veterans, have reached agreement with the Trustees of the Pension Scheme whereby it will aim to eliminate the deficit by 31 August 2023 by the payment of annual contributions of £1Million (of which £900K is paid by Sight Scotland) plus an additional recovery payment of £4.5Million, (of which up to 10% is to be paid by Sight Scotland Veterans) paid on any occasion between 1 January 2022 and 30 June 2027. An additional top-up payment is to be paid by 31 July 2023, so that the total cumulative payments in the period 1 July 2021 to 30 June 2023 are no less than £4.8Million (of which up to £480K is to be paid by Sight Scotland Veterans). These additional contributions have been included in the stress testing carried out when reviewing the impact of the uncertainties caused by COVID-19.

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

j) Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 JUDGEMENTS AND ESTIMATES

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

- Actuarial assumptions in respect of the defined benefit pension scheme. In making these assumptions, advice has been taken from an independent qualified actuary. The assumptions are all shown in note 10.
- Tangible fixed assets, as mentioned in (e) above, are depreciated over a period intended to reflect their estimated useful lives.
- The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Tangible fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

3 INCOME

	2022	2021
	£000	£000
a) Donations and legacies		
Legacies	477	181
Other donations and grants	<u>53</u>	<u>42</u>
Statement of Financial Activities	<u>530</u>	<u>223</u>
b) Charitable activities		
Central, Outreach and member services: (2021 Gain on disposal of fixed assets)	2	34
Linburn Centre: (2021 Intercompany recharge for services to Sight Scotland)	-	100
Hawkhead Centre: (2021 Intercompany recharge for services to Sight Scotland)	-	71
Let property: Rental Income	<u>82</u>	<u>85</u>
	<u>84</u>	<u>290</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)**c) Sundry Income**

Furlough claims	138	228
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d) Investments

Dividends	860	884
Statement of Financial Activities	<u>860</u>	<u>884</u>

4 EXPENDITURE

	Activities undertaken directly £000	Activities undertaken directly £000	Support Costs £000	Support Costs £000	Total £000	Total £000
	2022	2021	2022	2021	2022	2021
Raising funds						
Investment managers fees	<u>19</u>	-	-	-	<u>19</u>	-
Charitable activities						
Linburn Centre	925	896	214	289	1,139	1,185
Hawkhead Centre	982	923	180	212	1,162	1,135
Outreach and member serv's	1,810	1,626	331	249	2,141	1,875
Let properties	155	238	26	40	181	278
Grant giving to organisations	73	50	-	-	73	50
Financial support to members						
Direct cost	569	635	-	-	569	635
Administration	35	35	8	8	43	43
Total	<u>604</u>	<u>670</u>	<u>8</u>	<u>8</u>	<u>612</u>	<u>678</u>
Total charitable activities	<u>4,559</u>	<u>4,403</u>	<u>759</u>	<u>798</u>	<u>5,308</u>	<u>5,201</u>
Total Expenditure	<u>4,578</u>	<u>4,403</u>	<u>759</u>	<u>798</u>	<u>5,327</u>	<u>5,201</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Support costs of £759, (2021, £798K) include a £654K (2021, £671K) charge paid to Sight Scotland which covers management, finance, human resources, IT, facilities management and marketing, and Governance costs of £19K (2021, £17K). Governance costs include external audit fees of £10.8K (2021, £10.5K). Other support costs of £142K (2021, £125K) include direct marketing, report costs and administrative expenses.

A grant of £73K was paid to the Foresight Consortium bid led by Action against Age-related Macular Degeneration, involving the Royal College of Surgeons and the University of Edinburgh.

5 STAFF NUMBERS AND COSTS	2022	2021
	£000	£000
Wages and salaries	1,922	1,940
Social security costs	155	146
Pension contributions	147	147
Adjustment to FRS102 basis	-	15
Pension costs	<u>147</u>	<u>162</u>
Total staff costs	<u>2,224</u>	<u>2,248</u>

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

	2022	2022	2021	2021
	FTE	Head	FTE	Head
Managers	3	4	4	4
Linburn Centre	14	18	19	24
Hawkhead Centre	16	21	19	23
Outreach Service	26	29	23	25
Administration	<u>8</u>	<u>9</u>	<u>4</u>	<u>5</u>
	<u>67</u>	<u>81</u>	<u>69</u>	<u>81</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

No remuneration has been paid to any Trustee or member of committee in respect of their duties. No expenses were paid to a Trustee (2021, £ Nil). One employee received emoluments exceeding £60K.

Two members of staff are regarded by the Trustees as being "Key Management" as defined in FRS102, these being the Chief Executive and Director of Services, Sight Scotland Veterans. The Chief Executive is also Chief Executive of Sight Scotland, which pays the full remuneration and recovers the cost of Sight Scotland Veterans' portion through the management charge. The total remuneration of the Chief Executive for work with both charities and that of the Head of Sight Scotland Veterans, including national insurance and pension contributions, totalled £166K, (2021, £196K).

6 TANGIBLE FIXED ASSETS

	Heritable property £000	Furniture, equipment £000	Vehicles £000	Total £000
Cost				
Balance at 1 April 2021	15,460	368	602	16,430
Additions	-	25	36	61
31 March 2022	<u>15,460</u>	<u>393</u>	<u>638</u>	<u>16,491</u>
Accumulated depreciation				
Balance at 1 April 2021	1,287	211	205	1,703
Charge for year	372	41	114	527
31 March 2022	<u>1,659</u>	<u>252</u>	<u>319</u>	<u>2,230</u>
Net book value				
31 March 2022	<u>13,801</u>	<u>141</u>	<u>319</u>	<u>14,261</u>
31 March 2021	<u>14,173</u>	<u>157</u>	<u>397</u>	<u>14,727</u>

Included in heritable property is:

- land, which is not subject to a depreciation charge, £1,465K (2021, £1,465K)
- let properties, cost £1,562K, accumulated depreciation £287.7K (2021, £253.1K), net book value £1,275.9K (2021, £1,310.4K).

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

	2022	2021
	£000	£000
Market value as at 1 April 2021	46,147	41,724
Additions at cost	530	530
Disposals at opening book value	<u>(2,980)</u>	<u>(3,918)</u>
	43,697	38,336
Change in market value in the year	<u>3,847</u>	<u>7,811</u>
Market value as at 31 March 2022	47,544	46,147
Cash held for investment	<u>19</u>	<u>21</u>
Total investments	<u>47,563</u>	<u>46,168</u>
Investments held at cost	35,046	36,831
Cash held for investment	<u>19</u>	<u>21</u>
Cost as at 31 March 2022	<u>35,065</u>	<u>36,852</u>

The market value represents:

Investments listed on a recognised
stock exchange

United Kingdom	39,185	37,127
Rest of world	<u>8,359</u>	<u>9,020</u>
	<u>47,544</u>	<u>46,147</u>

Five Investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £9,294K (2021, £9,663K)

The Partners Fund valued at £15,582K (2021, £13,648K)

Henderson Multi Asset Credit Fund valued at £9,487K (2021, £9,611K)

Legal and General International Index Trust valued at £8,358K (2021, £9,020K)

Aberdeen Unit Trust Managers Charities Property Fund valued at £3,844K (2021, £3,310K)

All investments are held to provide an investment return.

NOTES TO THE FINANCIAL STATEMENTS (continued)
8 DEBTORS

	2022	2021
	£000	£000
Prepayments	35	37
Accrued income	426	178
Other debtors	<u>-</u>	<u>2</u>
	<u>461</u>	<u>217</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Amounts Falling Due Within One Year		
Suppliers	57	80
Accruals	37	24
Due to HMRC & pensions	61	36
Due to Sight Scotland	<u>316</u>	<u>199</u>
	<u>471</u>	<u>339</u>

10 PENSION COSTS

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

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

There are a number of different methods used to estimate any surplus or deficit in Defined Benefit Pension Schemes. The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 2022. This is a consistent basis for the preparation of these accounts.

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

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

The Scheme closed to further accrual in November 2021 and therefore no employer costs, other than the deficit recovery payments, will be made to the scheme.

The major assumptions used by the Actuary were as follows:

	at 31 March 2022	at 31 March 2021
Inflation	3.2%	2.7%
Salary increases	3.7%	3.2%
Expected return on investments pre-retirement	5.2%	5.2%

The total payments to the scheme for the year amounted to £100K (2021, £50K). We estimate that payments to the scheme in the year to 31 March 2023 will be £100K, all of which will be deficit recovery contributions.

The fund has been valued in accordance with the requirements of FRS102 by Audrey Hay of JLT/Mercer on 1 June 2022. 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.

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

Assumptions	at 31 March 2022	at 31 March 2021
Discount rate	2.8%	2.2%
Retail price inflation	3.9%	3.5%
Consumer price inflation	3.2%	2.7%
Salary increase rate	3.7%	3.2%
Pension increases (Limited Price Indexation)		
- RPI maximum 5%	3.6%	3.3%
- RPI maximum 5% minimum 3%	4.0%	3.8%
Deferred pension revaluation	2.5%	2.5%

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

Assuming retirement in 2022, life expectancies in years based on the mortality assumption used are as follows:

	at 31 March 2022	at 31 March 2021
For a male retiring in 2022	20.6	20.5
For a male retiring in 2041	22.2	22.2
For a female retiring in 2022	22.6	22.5
For a female retiring in 2041	24.4	24.4

Assets	31 Mar 2022		31 Mar 2021	
	£000	%	£000	%
Invested assets	<u>3,628</u>	<u>100</u>	<u>3,687</u>	<u>100</u>
Total	<u>3,628</u>	<u>100</u>	<u>3,687</u>	<u>100</u>

Liability and Funded Status at 31 March	2022	2021	2020	2019
	£000	£000	£000	£000
Fair value of plan assets	3,628	3,687	3,301	3,243
Value of funded oblig'ns	(2,429)	(2,683)	(2,658)	(3,054)
Restriction of surplus	<u>(1,199)</u>	<u>(1,004)</u>	<u>(643)</u>	<u>(189)</u>
Surplus/(Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	2022	2021
	£000	£000
The charge to the Statement of Financial Activities		
Service cost	-	15
Benefit changes	-	-
Net interest expense	<u>(1)</u>	<u>(2)</u>
Total included in employer expense	<u>(1)</u>	<u>13</u>
Analysis of the change in the defined benefit obligation		
Opening defined benefit obligation	2,683	2,658
Current service cost	-	15
Interest on obligation	57	59
Losses / (gains) due to benefit changes	-	-
Actuarial (gains) / losses	(127)	130
Benefits paid	<u>(184)</u>	<u>(179)</u>
	<u>2,429</u>	<u>2,683</u>
Analysis of the change in fair value of plan assets		
Opening fair value of plan assets	3,687	3,301
Expected return on assets	80	75
Actuarial gains / (losses)	(55)	368
Contributions	100	122
Benefits paid	<u>(184)</u>	<u>(179)</u>
	<u>3,628</u>	<u>3,687</u>
Analysis of actuarial gains/(losses)	2022	2021
	£000's	£000's
Asset return (less interest income recognised in the SOFA)	(55)	368
Experience gain/(losses) on benefit obligation	(11)	9
Effect of assumptions changes on benefit obligation	138	(139)
Restriction of defined pension asset	<u>(173)</u>	<u>(347)</u>
Total actuarial losses	<u>(101)</u>	<u>(109)</u>

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

	2022	2021
History of Experience Gains and Losses		
Difference between the asset return and the interest income recognised in the SOFA	(55)	368
- as % of scheme assets	2%	10%
Experience gains/(losses) on obligation	(11)	9
- as % of liabilities	0%	0%
Total amount recognised in the SOFA (2019,72)	(101)	(109)
- as % of liabilities	4%	7%

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

Year ended 31 March 2022

11 UNRESTRICTED FUNDS

	General Fund £000 2022	General Fund £000 2021	Inv'tment Reserve £000 2022	Inv'tment Reserve £000 2021	Pension Reserve £000 2022	Pension Reserve £000 2021	Total £000 2022
Balance at 31 March	55,270	<u>58,692</u>	<u>6,547</u>	<u>(1,533)</u>	-	-	61,817
Net (expenditure) / before other recognised gains	250	4,658	-	-	-	-	250
Pension deficit recovery	(100)	(50)	-	-	100	50	-
Adjustment to Pension Reserve	100	50	-	-	(100)	(50)	-
Investment disposals, gains and losses	(5,950)	(8,080)	5,950	8,080	-	-	-
Actuarial gain	-	-	-	-	-	-	-
Balance at 31 March 2022	<u>49,570</u>	<u>55,270</u>	<u>12,497</u>	<u>6,547</u>	-	-	<u>62,067</u>

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

The Trustees of Sight Scotland Veterans are the Directors of the Royal Blind Asylum and School, Edinburgh, operating as Sight Scotland. Each is a separate charity having its own funds and properties. Sight Scotland provided administrative services for which a fee was paid, as shown within support costs in note 4. At the balance sheet date a balance was due to Sight Scotland amounting to £316K (2021, £199K). The total value of transactions between the two organisations was £598K (2021, £612K) and this consisted of administrative, maintenance and marketing support.

13 FINANCIAL INSTRUMENTS

	2022	2021
	£000's	£000's
Financial assets		
Financial assets measured at fair value	47,543	46,147
Financial assets measured at amortised cost	<u>700</u>	<u>1,244</u>
	48,243	47,391
Financial liabilities		
Financial liabilities measured at amortised cost	<u>443</u>	<u>303</u>

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

14 NET DEBT RECONCILIATION

	1 April 2021	Cash Flows	31 March 2022
Cash and cash equivalents	<u>1,065</u>	<u>(792)</u>	<u>273</u>

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £000	Investments £000	Net current assets £000	Total funds £000
At 31 March 2022:				
Restricted funds				
Revenue Grant	—	—	-	-
Capital grants reserve	—	—	—	—
Designated funds	—	—	—	—
Other unrestricted funds				
Investment reserve	-	12,497	-	12,497
Pension reserve	-	-	-	-
General fund	<u>14,261</u>	<u>35,066</u>	<u>243</u>	<u>49,570</u>
Total funds	<u>14,261</u>	<u>47,563</u>	<u>243</u>	<u>62,067</u>

