



Sight Scotland

Annual Report and Accounts for year ended 31 March 2022

The Royal Blind Asylum and School, Edinburgh, trading as Sight Scotland

Scottish Charity Number SC017167

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Sight Scotland is the operating name of The Royal Blind Asylum and School, Edinburgh, Scottish Charity Number SC017167. Sight Scotland was previously known as Royal Blind and the change of name occurred 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, K.B.E.

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

Board of Directors

Elected by Contributors

Michael Craig (Chair)

Graeme Bold

Mike Donnelly

Mike Martin (resigned June 2022)

Jay Hogarty (resigned 22 September 2021)

David McArthur

Aidan McCorry

Michelle McWilliams

Stephanie Philips

Elizabeth Porterfield

Dianne-Dominique Theakstone

Catherine Topley

Laraine Aikman (appointed April 2022)

Sif Rai (appointed April 2022)

Chief Executive and Secretary

Mark O'Donnell – Chief Executive (resigned 6 October 2021)

Theresa Shearer – Interim Chief Executive (20 October 2021 – 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

Who we are

In 1793 the charity that is now called Sight Scotland was founded with a vision and dedication to improving the welfare of blind people in Scotland. Today, Sight Scotland is Scotland's largest visual impairment organisation. Our mission is to reach everyone in Scotland with sight loss – where and when they need us.

There are more than 180,000 people living in Scotland today with significant sight loss. With an ageing population, the number of people living with sight loss is set to increase by 30,000 over the next 10 years. We work to ensure that everyone in Scotland living with sight loss has access to care, learning, support and hope.

We are there to support people of all ages with sight loss by:

- Developing people's skills by providing resources for independent living
- Caring for the individual to meet their needs
- Providing documents in formats that are accessible
- Supporting people of all ages to fulfil their ambitions
- Involving people as leaders, employees and supporters in shaping the services they receive
- Improving and enriching education and care for children and young people across Scotland
- Developing a greater understanding through medical and social research of sight loss conditions including more effective treatment and prevention.

We are continually evolving our approach to ensure the best possible care and support for those that need us. None of our work would be possible without the commitment of our donors and the strength of our outstanding people including our volunteers, staff and supporters, as well as those affected by sight loss.

Chair's Statement

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 have inevitably been affected by the COVID-19 restrictions that have been in place throughout Scotland during the period. Despite the many challenges of the past year, our dedicated members of staff and volunteers have done a wonderful job in supporting people of all ages who are impacted by sight loss 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 in January 2022.

On behalf of my fellow Directors, I would like to thank everyone who has contributed so much to the mission of Sight Scotland.

REPORT OF THE DIRECTORS

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

Directors' responsibilities

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

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

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

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

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of

financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Structure, Governance and Management

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

Sight Scotland is governed and directed by a Board of up to 19 Directors (who are the Trustees of the charity for the purposes of charity law), comprising of members elected by the qualified contributors (members who subscribe and contribute £2 or more for the year ended each 31 March). The Directors ensure that the Board comprises a range of skills and experience appropriately suited to govern the charity. New members of the Board receive an induction, which includes briefings on the objectives and activities of the organisation and how it is presently organised. The induction also covers the roles and responsibilities of charity Directors.

Directors normally serve for a term of up to 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 non-executive Director. The Directors of the charity benefit from Trustee indemnity insurance.

The activities of the charity are grouped under four main areas of activity (Care, Learning, Enterprise and Community), each of which is overseen by a committee of Directors and co-opted members. These committees have responsibility for oversight and detailed consideration of risk, budgets, plans and decisions, and reporting on key issues or escalating major decisions to the Board. There is also a Corporate Committee, an Audit Committee and a Remuneration Committee which oversee corporate resources functions, corporate governance issues and the terms and conditions of Executive staff.

The day-to-day management of the organisation is delegated to the Chief Executive who in turn exercises his responsibilities through a scheme of delegation to a team of four Executive Directors. Each Executive Director has a defined set of responsibilities and accountabilities and a defined management structure reporting to them.

The Directors are also Trustees of Sight Scotland Veterans, a Scottish Charitable Incorporated Organisation (SCIO) – a separate charity (charity number SC047192) having its own objectives. This charity was founded in 1915 by the Royal Blind Asylum and School as The Scottish National Institute for the War Blinded and was reconstituted as a SCIO in April 2017, assuming the engagements, assets and liabilities of The Scottish National Institute for the War Blinded.

Sight Scotland Veterans operates its own activities, funds and properties, but shares corporate functions with Sight Scotland. The two charities are financially separate, have their own charitable objectives and neither organisation exerts control over the other. The Sight Scotland Directors actively manage their obligation to respect the separate legal status of the two charities.

The Chief Executive is simultaneously the Chief Executive of both Sight Scotland and Sight Scotland Veterans, which is consistent with a number of Head Office roles and functions. The main exception is that a Director of Service for each charity has been appointed who oversees the 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. 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.

Jay Hogarty, stepped down as a Director on 22 September 2021. Mike Martin resigned in June 2022.

Last year we reported the resignation of several member nominated appointees. The vacancies created by these resignations have not been filled due to work that has been taken forward to review the Royal Charter and provide the Board with greater control over its own membership in line with modern practice. At a Special General Meeting in April 2022 the Board resolved to petition the Privy Council for a Supplementary Charter which is expected to take effect later in 2022. The Board will be reduced to 13 members, one of which is the Chair. Extensive work will be taken forward to modernise the charity's governance arrangements in the light of these changes.

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

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

Key Achievements and Performance

The effects of the ongoing COVID-19 pandemic continued to be felt throughout 2021-22 and into the year beyond. The pandemic has brought with it opportunities to re-think working practices and assumptions as well as the obvious challenges of living with lockdown and the huge impact that contracting COVID has had on staff and service users.

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.sightscotland.org.uk

Key Achievements and Activities are noted in the following sections:

Managing COVID-19

We continued to maintain services as close as possible to normal where those services were deemed "essential". These included our children's continuing care, adult 52-week residential provision and the Scottish Braille Press. As the national approach to the pandemic developed, educational services were also provided in COVID secure ways. Our service delivery, and the policies we have adopted, followed the guidance of the Scottish Government. We maintained enhanced cleaning regimes, staff policies in regard to social distancing, physical barriers such as Perspex screens between workstations and where staff have been able to, they worked from home.

The Scottish Braille Press is considered an essential service because of its role in supplying financial documents to visually impaired people, and so it remained open throughout the year.

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

Face to face learning services were suspended in line with Scottish Government guidance although provision was made by teachers to enable home learning.

Children and Young People's full time residential care services have been maintained throughout the year.

Limited use has been made of the Coronavirus Job Retention Scheme because most staff have been able to continue working or were deemed as working in essential services.

Older People's Services – Sale of Buildings

Following the closure of our residential care home businesses at Jenny's Well and Braeside House at the end of 2020/21 the two buildings were marketed and sold through Christie's following a closed bidding process. The buildings were sold to a single bidder, who was also the highest aggregate bidder.

We will continue to look for opportunities to provide services to local authorities through direct tendering where opportunities arise, but will also be working to deepen our relationship, promote our cause and become an active source of support and advice to Local Authorities and Integrated Joint Boards.

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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 2021 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 Investment Advice

The contractual arrangements for managing the investments of Sight Scotland and Sight Scotland Veterans were put out to competitive tender. The Directors felt that a refreshed strategy for the management of our investments was required after a steady period of consolidation and progress with investment advisers Barnett Waddingham. An increased focus on ESG (Environmental, social and governance factors) and the achievement of operational and financial stability in the previous two years, supplemented by capital receipts from property sales, most notably Craigmillar park, the care homes and Gillespie Crescent to be sold in the next year, provided an opportunity to think afresh.

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 lower risk than comparator offers, and the Directors are confident that Sight Scotland 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.

Learning and Care

The Royal Blind School

The school roll stands at 20 pupils, three of these pupils access provision on a 52-week basis, which includes education learning and care, four pupils are resident with us Monday to Friday in addition to their education and learning, and the remaining pupils are with us on a day or split placement basis.

All pupils work within learning zones in line with relevant guidelines. Some pupils have moved class groups since the beginning of this this academic year. Pupils are able to move to subject specialist teaching experiences where required such as the music room and P.E hall.

Scottish Local Authorities pay on a per pupil basis based on a contractual arrangement developed by Scotland Excel, the Local Government procurement consortium. The risks arising from a new funding model have been present for the past decade and we were informed during the year that the Scottish Government intends to withdraw the grant to specialist schools over an eight year period to enable a more strategic use of the funding rather than supporting eligible schools directly. Dialogue has been established with commissioners, notably Scotland Excel who undertake procurement for most of the Scottish Local Authorities and City of Edinburgh Council who have separate arrangements for tendering these services about the implications of the long-term funding model. Scotland Excel have put out to tender the relevant contracts at the start of 2022/23 and we have submitted a revised bid.

Education Outreach Support Services

Education outreach services are provided for Midlothian, East Lothian and Orkney Councils. Sight Scotland secured the tender in 2022 to continue the service for East Lothian for an initial three years with an option for a two-year extension. This service now includes habilitation and Early Years support.

The caseloads for both East and Mid Lothian are for approximately 60 young people. The live caseload is tracked and reported on a six-weekly basis between the council leads and the Head of Learning.

Post pandemic, Qualified Teachers of Visual Impairment (QTVI) visits to Orkney recommenced in 2022 and a further visit is scheduled in the autumn to review live case numbers (approx. 12), and revisit consultation only cases.

Two full-time education-only placements for Primary years education within the complex needs cohort have been secured with East Lothian for the beginning of the 2022/23 academic session. Both young people were known to our outreach services ahead of these placing requests being received from the Authority.

Midlothian Council made a referral for a split placement over the 2021/22 session based on agreed outreach education deliverables and their understanding of the Royal Blind School's flexible approach to learning. A flexi placement with an Orkney outreach case was secured in the 2021/22 session. The first of these eight residential visits has already been successful and the future dates for 2022/23 session are currently being planned.

Kidscene

Kidscene continued to provide after school activities during term time to children attending both our own and local primary schools. Specialist, skilled staff support children with a visual impairment or additional support needs. During lockdown periods Kidscene was adapted to provide a service for children of our key workers, but this has since returned to full operational status. The holiday club specifically catered for children with a visual impairment, additional support needs and their siblings. We ensured that staffing levels and fees levied were set appropriately, recognising families have access to specific budgets and funding for this purpose.

All activities are age appropriate and tailor-made to the needs of those children who attend. The feedback from parents is overwhelmingly positive and we plan to continue to develop the holiday scheme on the basis of the current model.

Adult Services

Adult Services provide 24-hour care and support for young adults who have a visual impairment and additional needs, including cognitive and communication impairments. Our two residential services, Forward Vision and Allermuir, are based in Edinburgh.

Forward Vision comprises three residential units with capacity for 14 adults for full time residencies or short-term breaks. Allermuir has four beds, all of which are filled by full-time residents.

A total of 18 young adults live with us on a full time basis. 14 stay within the three houses at Forward Vision and the remaining four within Allermuir. One young woman is receiving day respite.

A major capital and implementation programme for hoist replacement was successfully completed across all houses. The registration for one of our houses, "Canna", was successfully changed to adult accommodation in anticipation of relocating our two young adults supported on a continuing care basis, and the reestablishment of overnight respite for adults.

The Board also agreed to fund substantial renovation of the outdoor spaces at Forward Vision and work will be taken forward during 2022/23.

An extensive review was carried out to determine the individual needs and direct care input required of each of our service users based on their medical and emotional conditions following the emergence from the pandemic and to ensure the adequacy of support. This included all aspects of care, accounts for periods of 1:1 support, and covers each 24-hour period. In addition, shared input such as care delivered with the school setting was built in.

The data provided by the review resulted in an increase in staff numbers across residential services.

Community Services

The Board authorised development funding to introduce Community Services in 2020/21. The agreed priorities for community services are split into two work streams:

- Family Wellbeing service
- Visual Impairment support services

Family Wellbeing Service

The Family Wellbeing Service provides practical and emotional support to individuals with visual impairment and everyone affected by it, including their families, carers and friends.

The team now consists of three Community workers. We have recruited more volunteers to support service users, providing emotional support as well as general information and advice. We have promoted the service nationally via mailings out to hospital-based Eye Clinic Liaison Officer's (ECLO's) and professional eye health contacts as well as securing press coverage.

In the first full year of operation (April 2021 – March 2022), we have supported 819 people: 573 people directly and 246 people indirectly – due to the nature of the referrals we receive and our subsequent work with clients.

Our wellbeing support line was formally launched by Maree Todd MSP, Minister for Public Health, Women's Health and Sport at our Head Office. We were delighted to have two service users in attendance to discuss their experiences of the support offered.

Local Authority Visual Impairment Support Services

As part of our community services strategy, we actively tender for visual impairment support services and other suitable contracts let by public authorities. We were pleased to be successful in our bids to provide services to the City of Edinburgh Council (CEC) and East and Midlothian councils who have let a joint contract.

The CEC contract started in April 2021 with a value of £207k per annum for three years, with the option of an extension for a further two years. The contract involves the delivery of a rehabilitation and mobility service where individuals and their families can meet staff and discover what can help following a diagnosis of sight loss. It is estimated that this contract will help around 275 individuals per year.

The East Lothian and Midlothian contract also started in April 2021 with a value of £76k per year for three years and it is estimated that this contract will help around 110 individuals per year.

Enterprise and Engagement

Scottish Braille Press

The Scottish Braille Press is a leading supplier of braille, large print and audio media to a wide range of customers. Their work ensures that people with sight loss have access to mainstream services such as banking and education.

The majority of the operation is dedicated to servicing financial services organisations and producing large print format documents such as financial statements and statutory notices. The service was deemed essential during the pandemic and Scottish Braille Press operations have been maintained.

Business performance held steady although due to the pandemic there was a slight reduction in discretionary business such as marketing literature from financial services clients. Scottish Braille Press is seeking to add value to its existing client relationships through innovation and to diversify its client base where possible and we were pleased to renew our contract with one of our major financial services clients during the year.

Marketing

The priority for marketing has been to further promote the new brand and to launch the community service, raising awareness and attracting new service users through advertising campaigns and press coverage. One year on from the change of names and new brand, an external brand awareness monitoring report demonstrated that the new name Sight Scotland already had higher awareness than the previous name Royal Blind. The marketing team has also supported the recruitment of additional care workers through running radio advertising.

Fundraising

We have continued to receive great support from trusts and grants during the lockdowns. The National Lottery Community Fund, Improving Lives Grant pledged £150,000 over three years towards the work of our Family Wellbeing Service. Further support from trusts also came for the school, allowing us to purchase an Omni Mobil Magic Table and a sound beam amongst other items. Thanks to the support for our Christmas Appeal, we were able to fund sensory equipment for Forward Vision.

Community Fundraising activities began to increase following a decline during the pandemic. For example, one fundraiser raised £4,250 from sales of an all-female truckers calendar and another fundraiser, who has a visual impairment, took on a "Sight for Sight" Challenge by building the Edinburgh library from Lego and raised £2,700. We are thankful to all individuals, trusts, corporates and community fundraisers who support Sight Scotland so generously.

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." 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.

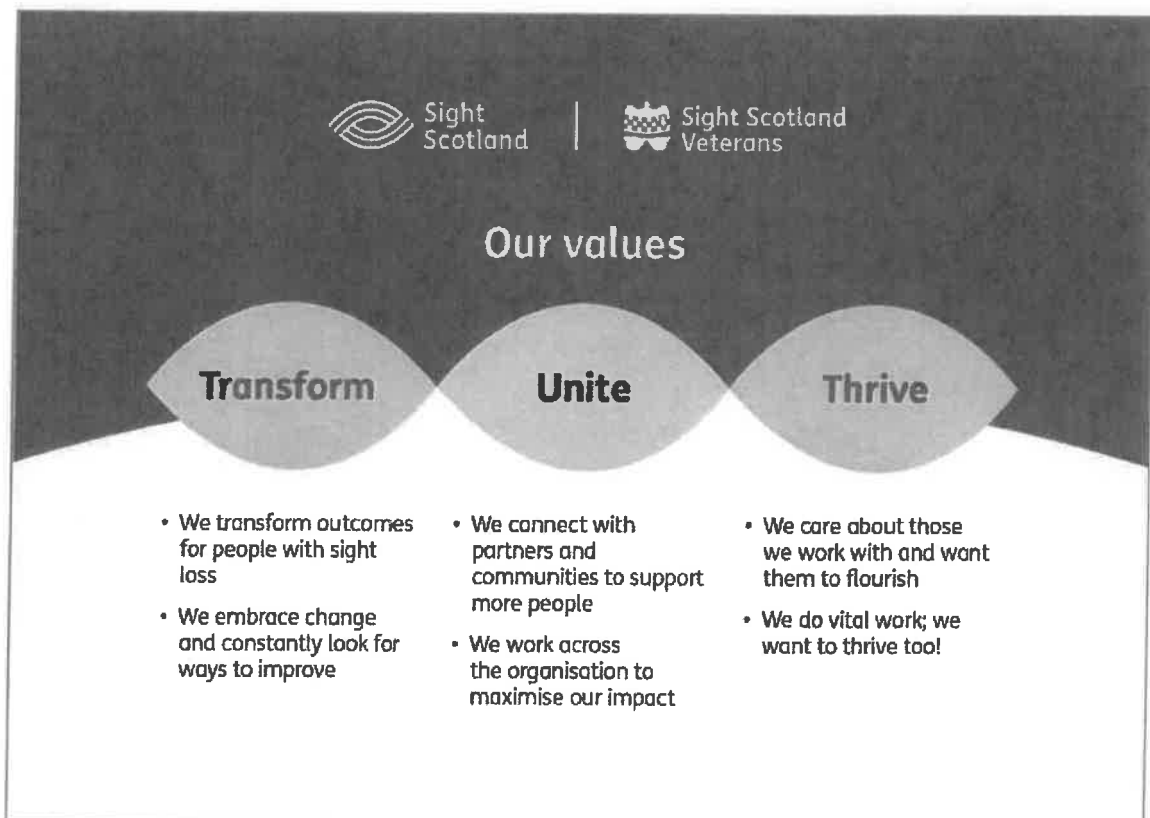
Medical Research

We continued to provide funding for medical research into sight loss, distributed and managed in partnership with the Royal College of Surgeons of Edinburgh (RCSEd). We also continued with our commitment to contribute £100k over two years, as one of several co-funders, to support the Scottish Collaborative Optometry-Ophthalmology Network e-research (SCONE) project being delivered by the University of Edinburgh. The aim is to collect, classify and curate a community-acquired retinal repository in Scotland, to enable early identification of eye disease, improve clinical outcomes and uncover novel biomarkers predictive of ocular and systemic diseases.

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 new 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 services. A suitably qualified member of the Senior Leadership Team assumes corporate responsibility. Our safeguarding policy is kept under review and we maintain a mandatory e-learning course for all staff and Directors.

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 audible 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

In April 2021 the median gender pay gap was 1.2% (-3.1% in 2020/21), which means that on average our female staff are paid slightly less than our male staff. This is influenced by the change in the composition of our workforce within the past year. At 7.4% (7.5% in 2020/21) the mean gender pay gap is higher than the median because the Chief Executive and 54% of our Senior Leadership Team are male. If our Chief Executive was female, our Mean gender pay gap would reduce to 3.0%, and our median gender pay gap would be just under 1%. Male employees comprise 26% of the total workforce so even small fluctuations have a significant impact on our gender pay gap. Overall, Sight Scotland compares favourably to the position illustrated by the Office of National Statistics that reports a national gender pay gap for Scotland (2021) at 10.2% (mean) and 11.6% (median)

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

Employment of people with disabilities

Our records show that, when those who prefer not to say are excluded, 23.5% of employees have indicated that they have a disability.

Breakdown of ethnicity of employees

White Scottish	48.4%
White British	16.1%
White Irish	1.6%
Other white	6.5%
Chinese, Indian, Scottish/British Asian, other Asian	2.8%
African, black African, Scottish/British African	0.9%
Not stated	20.2%
Mixed/multiple ethnic group	0.6%
Other ethnic background	0.6%
Prefer not to say	2.3%

Reserves, Pension and Risk Policies

Risk Management

The Directors assess the major risks that may face the charity, in particular those relating to its operations and finances. Accordingly, the Board ensures that suitable systems, processes and procedures are put in place to control all of the services that support the main activities of the charity.

The Audit Committee undertakes delegated functions in this respect, but the risks that score highest in impact and likelihood are reported annually to, and considered by, the Board itself.

The Directors consider the most significant single risks to the organisation (in terms of potential impact) to be:

- A failure to maximise public awareness of Sight Scotland services
- Ineffective financial management which fails to support the short-term operations and the 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 Directors manage these and other strategic and operational risks via a risk register which is regularly reviewed and updated.

The Directors have reviewed the situation at the date of signing this report 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 Royal Charter, the Directors have the power to invest in such stocks, shares, investments and property as they see fit.

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

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

The organisation's investment principles are:

- To regard the invested reserve as partly short to medium term and partly long term, and therefore to invest a set amount in lower risk assets (bonds and cash), and the remainder in equities or similar asset classes to provide capital growth as well as income.
- 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 with 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:

- Retention of holdings in a property fund, and of the remainder –
 - 25% passive global equity funds to provide cost-effective equity exposure and access to long term expected returns
 - 75% multi-asset funds to provide exposure to active asset allocation as a source of potential returns, divided as follows:
 - 25% in a diversified growth fund to diversify exposure to liquid asset classes away from equity, benefitting from equity-type returns but with protection against market downturns
 - 25% in Multi Asset Credit to provide exposure to less liquid credit holdings, with an income focus
 - 25% in multi-alternatives to provide access to low liquidity asset classes not provided elsewhere in the portfolio.

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

- 75% Diversified Portfolio of actively managed or alternative investments, including private markets (WTW Partners Fund)
- 10% Global Credit (Multi Asset Credit)

- 10% Global Equity
- 5% 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

The charity maintains a Defined Benefit pension scheme which was closed to new members in March 2006 and to new accruals in November 2020. An organisation-wide Group Personal Pension plan has operated from April 2006 to which auto-enrolment applies which was placed under Royal London's management in 2019-20, and now benefits from being a defined contribution salary sacrifice scheme.

Reserves Policy

A key duty of the Directors is to ensure that users of Sight Scotland's services are cared for and protected. Due to the complex nature of the services we provide, it is important that we hold enough reserves to ensure that the essential continuity of care needed is not disrupted.

The Directors consider it appropriate to hold free reserves equivalent to a minimum of twelve months' operating costs (equivalent to £14 million in 2021/22) for such purposes. These reserves must be held in a realisable form that can be accessed in a timely manner. Sight Scotland's current level of free reserves of £26.6 million (2021, £24 million), which is our unrestricted reserves excluding fixed assets, ensures that there are sufficient funds set aside to operate our charitable activities for 18 months. The Directors believe this level gives adequate time to respond to any adverse changes or opportunities as they present themselves but are closely monitoring the level of reserves.

The importance of having an adequate level of reserves was evident during the COVID-19 pandemic. Due to our ability to call upon Sight Scotland's free reserves we were able to ensure continuity of service.

The Directors are committed to continuing the investment in fundraising and other sources of unrestricted income in order to maintain and grow the provision of high-quality care and support for our service users, and to underpin the charity's strategic ambition to reach more of the c. 180,000+ individuals in Scotland who are suffering from a deterioration in, or loss of, their sight. The Directors have agreed to deploy proceeds from the charity's reserves while sources of income are diversified and aim to increase investment in line with the charity's new strategic plans.

The Directors are committed to supporting present day operations and future service developments via four main revenue streams and will set targets and monitor performance against a target operating model over the short to medium term. These revenue streams are:

- Income from investment returns
- Contribution from trading activities
- Direct funding from statutory services (including the Scottish Government Grant Aided Special School provision)
- Fundraising, including legacies and grants.

The Directors regularly review Sight Scotland's reserve levels as part of their reserves policy review cycle.

The Directors will carefully review any future business cases involving major capital spend that would incur borrowing or investment draw down in excess of these targets.

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, alongside 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 services and a wider appreciation of the community and family support required to support those people with a diagnosis of sight loss.

Royal Charter

The Directors have submitted a wide-ranging scheme to the Privy Council for a review of the Royal Charter. The main changes proposed are that the Board will have sole control of appointment of its members, to scale back membership to 13 members including the Chair, and the modernisation of our charitable objectives. The revised Charter proposals will allow the Board to substantially control its own affairs without reversion to the Privy Council as is currently the case. This will be the first major revision to the Royal Charter since its inception in 1898. The supplementary Charter granted by Her Majesty the Queen in 1977 only made minor administrative changes.

Financial Assets and Reserves

The Directors will review the current investment strategy and reserves statement in the light of the lessons learned from the COVID-19 pandemic and in the expectation of capital receipts flowing from property sales. The objective will be to balance the need to support short-term operating requirements with the need to invest in future services and support for visually impaired people. The Directors consider the diversification of income streams through a range of services and activities supported by a strong investment portfolio as fundamental to the development of Sight Scotland and promoting the needs of visually impaired people. Appropriate partnerships with other funders and service providers will continue to be sought.

Environmental, Social and Governance (ESG)

As part of the Director's commitment to transparency and good governance, Sight Scotland is developing an explicit statement and policy regarding Environmental, Social and Governance factors (ESG) with our new investment advisers. Sight Scotland is not obliged to develop such a statement of policy, but the Directors 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 above. The Directors are

conscious of the wider social good that Sight Scotland'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.

Estates Assets

The Directors will review the charity's surplus property assets and seek opportunities for disposal where it makes market sense to do so in the prevailing climate. This will include the disposal of our building at Gillespie Crescent following the relocation of our Head Office to Robertson Avenue and three residential properties in the vicinity of our old school building at Craigmillar Park.

Performance Management

The Directors have been 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 Directors 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 and is a key element of our enterprise strategy. We will seek opportunities to commission services and work with partners who share our vision.

Policy and Research

We will strengthen our focus on policy and research 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 as the leading voice of visually impaired people whose need have often been overlooked in wider policy making.

This includes the investment of up to £1m (of which 50% will be funded by Sight Scotland) in a programme related investment in a research vehicle Foresight that has been established by the charity Action Against AMD. 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% over a term of 10 years. Future Annual Reports will comment on its progress.

Education Services

We will continue to grow our community and education outreach services which are key elements of our strategy. Where opportunities present themselves to provide statutory services, we will examine the fit with our business and offer services accordingly.

Acknowledgement

The Directors would like to acknowledge and thank everyone who gave so generously towards our work. Thank you to all our supporters who gave individual donations and fundraised tirelessly on our behalf, and especially to those who so kindly left a gift in their will.

The following Charitable Trusts, foundations and companies (in alphabetical order) contributed greatly to the services and projects we run:

D M Charitable Trust
W Scott Charitable Trust
Davis Rubens Charitable Trust
National Lottery Community Fund
Scottish Government - Temporary Restrictions Fund
The Donald Fund
The Kilpatrick Fraser Charitable Trust
Buccleuch Charitable Foundation
Madras Lodge Trustees
The William H Fernie Charitable Trust
P F Charitable Trust
W Scott Charitable Trust
The JTH Charitable Trust
The Nimar Charitable Trust
Miss E C Hendry Charitable Trust
The JTH Charitable Trust
The Row Fogo Charitable Trust
Cash For Kids
Templeton Goodwill Trust
The Meikle Foundation
The Lady Marian Gibson Trust
Glebefoot Charitable Trust
The Donald Fund
William Dawson Trust
The James Inglis Testamentary Trust
Penpont Charitable Trust
The JTH Charitable Trust

The Batchworth Trust
Davis Rubens Charitable Trust
The M E B Charitable Trust
Scottish Government - Childcare Sector Omicron Impact Fund

Companies

Tesco Bags of Help
The Arnold Clark Community Fund
Amazon Smile
J Smart & Co Plc
Yorkshire Building Society Charitable Foundation
Film Finance Inc
Viridor Waste Management Ltd
JP Morgan Chase & Co
Hillhouse Group

FINANCIAL REVIEW

Income

Total income at £12.8 million (2021, £20M) decreased from last year, as that year included the £6M sale of the Craigmillar Park Campus and income from our now two closed care homes. School income is up by £271K due to two former pupils remaining in residence pending transfer to our adult services. Kidscene income increased by £29K as we were able to fully re-open the service following the lifting of lockdown restrictions.

Adult Services' income also increased (by £258K) as we had no vacant spaces during the year and consequently expenditure in adult services also increased. As our care homes closed in 2020/21, only a small amount of residual income was received following an adjustment of invoices.

The first full year of Community Services brought in total income of £267K and in addition we received £50K from the Big Lottery Fund for Community Services which is shown under restricted donations in the SOFA.

Income for the Scottish Braille Press fell by £47K and this reflects a slightly lower level of activity due to the Covid-19 Pandemic.

Income from legacies was broadly similar to 2021 but has been lower than in previous years; we are trying to understand if this is a trend or is as a result of less activity during the Pandemic. Receipts from fundraising fell slightly as we were still unable to participate in community fundraising events.

The financial performance of the main activities

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

	Learning Services / Kidscene £000	Comm'y Services £000	Adult services £000	Scottish Braille Press £000
Income				
Operating income	<u>4,922</u>	<u>267</u>	<u>3,116</u>	<u>2,820</u>
Expenditure				
Cost of Sales	-	-	-	234
Payroll costs	2,993	392	2,471	1,614
Depreciation	500	9	70	133
Other expenditure	<u>1,509</u>	<u>133</u>	<u>568</u>	<u>649</u>
Total	<u>5,002</u>	<u>534</u>	<u>3,109</u>	<u>2,630</u>
Net operating (deficit)/surplus 2021	<u>(80)</u> (734)	<u>(267)</u> (69)	<u>7</u> 4	<u>190</u> 56
Adjustment of pension cost:				
Staff costs (note 6)		-		
Other costs (note 11)	28	-	16	9
Restricted fund transactions	<u>(-)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income 2021	<u>(52)</u> (647)	<u>(267)</u> (69)	<u>23</u> 83	<u>199</u> 102

The operating deficit in the school has fallen for the second year in succession, down from £734K to £80K. This was mainly due to increased funding from the Scottish Government and increased revenue as a result of former pupils in the residential unit. The former pupils have now moved into Adult Services and therefore we are budgeting for an increased deficit in 2022/23. Kidscene income and expenditure is included with the school and Kidscene recorded a deficit of £27K in 2022, reduced from £62K in 2021.

With the first full year of operating our Community Services, as anticipated we incurred a deficit. As we further develop this service, we continue to seek sources of funding and contracts for services with local councils.

The Scottish Braille Press continued to operate throughout the pandemic, as it was deemed to be an essential business. The net operating surplus was £190K (2021, £56K). The Braille Press retained its major customers during the year and had a similar turnover to 2021 but managed a small reduction in costs from £2,656K to £2,630K.

The success of our Community Services initiative is detailed on page 12 and we are pleased that the service has hit the ground running. Total expenditure for the year is £534K with direct income from Local Authorities of £267K. A further £50K was received as grant funding from the Big Lottery Fund.

As a result of the disposal of the two care homes, we incurred additional costs of £277K and following the impairment recorded in 2021, we incurred a further loss on the disposal of assets totalling £121K.

Expenditure on fundraising and marketing our services was reduced and our marketing costs were also reduced as we had incurred additional costs in 2021 with our re-branding exercise.

Overall result

Net expenditure before investment gains of £1.1 million (2021, £4.2 million) is reduced due to the impairment of £4.2 million of Jenny's Well care home that was accounted for in our 2021 accounts.

Last year our investments experienced an unrealised gain of £3.4 million as the markets recovered following a big fall in early 2020 due to the COVID-19 pandemic. In 2022 the value of our investments experienced more modest gains of £1.5 million. However, markets remain volatile and it remains to be seen whether these gains can be sustained.

Our net income before pension recovery payments is £333K (2021, £788K expenditure).

The defined benefit pension scheme reported a total actuarial loss of £5.0 million (2021, £1.9M loss). This reflects a restriction to the reported surplus of the scheme's assets over its liabilities amounting to £6.9 million, and is in accordance with UK Accounting Standards. All the assumptions are set out in note 11 to the financial statements.

We are continuing to make recovery payments to repair the deficit in the pension scheme's funding position as determined by the latest Actuarial Valuation (effective as of 31 March 2019). In the year to March 2022, we made a total of £900K in pension recovery contributions to the scheme and an additional one-off payment of £4 million from part of the receipts of the sale of the care homes. This was part of our agreement with the pension trustees and no further additional one-off payments will be due under the current agreement. We will continue to make recovery payments of £900K per year, pending the next Triennial valuation due in 2022.

Overall, the result is a net decrease in funds of £4.6 million (2021, £2.7 million decrease). We continue to seek new areas of funding to develop our services and are reviewing our existing services in order to maximise income and reduce costs. We have also developed a deficit reduction strategy in order to bring our services

closer to break even and have a five-year financial plan to reduce or eliminate deficits throughout our services.

Balance sheet items

Net current assets have increased by £275K and net assets have decreased by £4.6 million.

Going Concern

Overall, the charity has coped well during the pandemic and is moving forward now that the restrictions imposed during the pandemic are lifted. We have sold our two former older persons care homes and this has improved our cash position, with investments and cash up to £21.6 million (2021, £17.7 million). We are due to receive £2 million during 2022/23 from the previous sale of our former school campus at Craigmillar Park.

When discounting depreciation charges, the school operated with a small surplus for the first time in many years and we aim to deliver the service on a similar basis in years to come. Much depends on maintaining and increasing pupil numbers in order to achieve this, but we have enhanced our pupil outreach service in addition to providing an in-house education and residential service.

Adult Services continued largely as normal, except that we didn't admit any short-term respite residents, but we adjusted our staffing levels and the service made a small surplus.

Ultimately, we plan to have all our services operate on a break-even basis with development costs being funded by investment returns; although, the timetable for achieving this may depend on external factors as we are relying on funding from Central and Local Government for some of our services.

We remain confident that the charity is able to continue as a going concern in the years to come, provided that it acts timeously to control costs when necessary. Therefore, we do not consider there to be a material uncertainty arising over the going concern basis of preparation of the financial statements.

The Directors review all our reserve levels as part of their reserves policy review cycle.

PROVISION OF INFORMATION TO AUDITOR

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

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

- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



Michael Craig
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SIGHT SCOTLAND 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 ("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.

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;

- 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

Date: 20 September 2022

DocuSigned by:
BDO LLP
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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 2022

	Note	Unrestricted General Funds		Restricted Funds		Total	Total
		2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Income from:	3						
Donations and legacies		504	477	80	130	584	607
Charitable activities:							
Royal Blind School		2,072	1,782	2,736	2,755	4,808	4,537
Kidscene		114	85	-	-	114	85
Adult services		3,116	2,858	-	-	3,116	2,858
Older people's services		6	3,250	-	-	6	3,250
Community Services		267	-	-	-	267	-
Scottish Braille Press		2,820	2,867	-	-	2,820	2,867
Total charitable activities		8,395	10,842	2,736	2,755	11,131	13,597
Other trading activities		-	-	-	-	-	-
Investments		351	379	-	-	351	379
Other		721	5,388	-	-	721	5,388
Total		9,971	15,115	2,816	2,885	12,787	19,971
Expenditure on:	4						
Raising funds		348	701	-	-	348	701
Charitable Activities:							
Royal Blind School		2,074	2,121	2,760	2,812	4,834	4,933
Kidscene		141	124	-	23	141	147
Adult services		3,093	2,645	-	15	3,093	2,660
Older people's services		400	6,787	-	30	400	6,817
Community Services		534	54	-	15	534	69
Scottish Braille Press		2,621	2,641	-	15	2,621	2,656
Service dev & Marketing		1,330	1,259	-	-	1,330	1,259
Grants and sundry		9	110	-	-	9	110
Total charitable activities		10,202	15,741	2,760	2,910	12,962	18,651
Impairment – Jenny's Well		-	4,172	-	-	-	4,172
Other		598	612	-	-	598	612
Total		11,148	21,226	2,760	2,911	13,908	24,137
Net (expenditure)/income before investment gains/losses		(1,177)	(4,139)	56	(26)	(1,121)	(4,166)
Net (loss)/gain on investments		1,454	3,378	-	-	1,454	3,378
Net (expenditure)/income		277	(762)	56	(26)	333	(788)
Other recognised gains and losses							
Actuarial (loss) / gain on defined benefit pension scheme	3,12	(4,953)	(1,887)	-	-	(4,953)	(1,887)
Net movement in funds		(4,676)	(2,649)	56	(26)	(4,620)	(2,675)
Reconciliation of funds:							
Funds at 31 March 2021	13,14	47,498	50,147	633	659	48,131	50,806
Total Funds at 31 March 2022		42,822	47,498	689	633	43,511	48,131

All amounts relate to continuing operations with the exception of Older People's Services. Our two care homes within Older People's Services closed on 31 March 2022.

The notes on pages 39 to 58 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £000	2021 £000
Fixed Assets			
Tangible assets	7	16,267	24,645
Investments	8	<u>20,874</u>	<u>17,391</u>
Total fixed assets		<u>37,141</u>	<u>42,036</u>
Current Assets			
Stocks		130	166
Debtors	9	6,192	6,655
Cash at Bank and in Hand		<u>741</u>	<u>260</u>
Total current assets		7,063	7,081
Liabilities			
Creditors: amounts falling due within one year	10	<u>(693)</u>	<u>(986)</u>
Net Current Assets		<u>6,370</u>	<u>6,095</u>
Net assets excluding pension liability		<u>43,511</u>	<u>48,131</u>
Defined benefit pension liability	11	—	—
Net Assets		<u>43,511</u>	<u>48,131</u>
Represented by			
Restricted Funds	12	<u>689</u>	<u>633</u>
Unrestricted Funds			
General fund	13	38,681	44,733
Investment reserve	13	4,141	2,765
Pension reserve	13	—	—
Total unrestricted funds		<u>42,822</u>	<u>47,498</u>
Total Funds		<u>43,511</u>	<u>48,131</u>

Approved by the Board and signed on their behalf



Michael Craig
Chair

The notes on pages 39-58 form part of these financial statements.

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	333	(788)
Adjustments for:		
Losses/(Gains) on investments	(1,454)	(3,378)
(Gain) / Loss on sale of fixed assets	121	(343)
Adjustment to pension costs	(53)	(888)
Depreciation charges	766	1,163
Decrease/(Increase) in stocks	38	(121)
Decrease/(Increase) in debtors	(458)	167
(Decrease)/increase in creditors	(233)	155
Interest and dividends	(351)	(379)
Pension scheme deficit recovery	<u>(4,900)</u>	<u>(1,000)</u>
Net cash (used in) operating activities	<u>(6,191)</u>	<u>(5,412)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	335	379
Proceeds from sale of property, plant and equipment	8,740	1,000
Purchase of property, plant and equipment	(369)	(642)
Proceeds from sale of investments	1,000	5,000
Purchase of investments	<u>(3,012)</u>	<u>(1,013)</u>
Net cash provided by investing activities	<u>6,694</u>	<u>4,724</u>
Change in cash and cash equivalents	<u>503</u>	<u>(688)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>271</u>	<u>959</u>
Cash and cash equivalents at the end of the reporting period	<u>774</u>	<u>271</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	741	258
Cash held for investment	<u>33</u>	<u>13</u>
Total cash and cash equivalents (Note 17)	<u>774</u>	<u>271</u>

The notes on pages 39-58 form part of these financial statements.

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

1. PRINCIPAL ACCOUNTING POLICIES

Sight Scotland is a charity incorporated by Royal Charter. The address of the office registered with OSCR is given on the legal and administrative information page and the nature of charity's operations and its principal activities are set out in the Report of the Directors.

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

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

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

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

a) **Accounting Conventions**

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

b) **Going Concern**

Overall, the charity has coped well during the pandemic and is now moving forward now that the restrictions imposed during the pandemic are lifted. We have sold our two former older persons care homes and this has improved our cash position, with investments and cash up to £21.6M (2021,17.7M). We are due to receive £2M during 2022/23 from the previous sale of our former school campus at Craigmillar Park.

When discounting depreciation charges, the school operated with a small surplus for the first time in living memory and we aim to deliver the service on a similar basis in years to come. Much depends on maintaining and increasing

pupil numbers in order to achieve this but we have enhanced our pupil outreach service in addition to providing an in-house education and residential service.

Adult Services continued largely as normal, except that we didn't admit any short term respite residents, but we adjusted our staffing levels and the service made a small surplus.

Ultimately we plan to have all our services operate on a break even basis with development costs being funded by investment returns, although the timetable for achieving this may depend on external factors, as we are relying on funding from Central and Local Government for some of our services.

We remain confident that the charity is able to continue as a going concern in the years to come, provided that it acts timeously to control costs when necessary. Therefore we do not consider there to be a material uncertainty arising over the going concern basis of preparation of the financial statements.

The Directors review all our reserve levels as part of their reserves policy review cycle.

c) **Income**

Donations and similar income are included in the year in which they are receivable, which is when the charity becomes entitled, receipt is probable and the amount can be measured reliably. Fees and sales are accounted for in the period in which the activity occurred.

Grants from the Government and from other charities are accounted for in the year in which they are received and are allocated to the activity to which they relate. Dividends are accrued when our right to receive payment is established.

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

d) **Expenditure**

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

e) **Tangible Fixed Assets**

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

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

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

f) **Investments**

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

g) **Stock**

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

h) **Cash and cash equivalents**

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

i) **Capital Grants**

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

j) **Fund Accounting**

The nature and purpose of each fund is explained in Notes 12 and 13.

k) **Pension Costs**

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

The Statement of Financial Activities is charged with the cost of providing pension benefits earned by employees in the period. The expected return on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period

from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions, are included in total recognised gains and losses.

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

There are a number of different methods used to estimate any surplus or deficit in Defined Benefit Pension Schemes. The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 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 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 £100K is paid by Sight Scotland Veterans) plus an additional recovery payment of £4.5Million, 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. 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.

l) Financial instruments

Under FRS 102, financial assets and financial liabilities are given the technical term "financial instruments", and we are required to indicate how these are recognised and measured in the financial statements. Ours are all basic financial instruments and are treated according to well established accounting convention. An analysis is given in note 16.

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

3. INCOME

a) Income from Donations and legacies

	Unrestricted		Restricted		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Legacies	316	323	-	-	316	323
Other Donations and grants	<u>188</u>	<u>154</u>	<u>80</u>	<u>130</u>	<u>268</u>	<u>284</u>
SOFA	<u>504</u>	<u>477</u>	<u>80</u>	<u>130</u>	<u>584</u>	<u>607</u>

b) Income from charitable activities

	Unrestricted		Restricted		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Royal Blind School						
School and residential fees	1,861	1,738	-	-	1,861	1,738
Grant from Scot Govt Recurrent	-	-	2,736	2,755	2,736	2,755
Sundry income	<u>211</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>211</u>	<u>44</u>
SOFA	<u>2,072</u>	<u>1,782</u>	<u>2,736</u>	<u>2,755</u>	<u>4,808</u>	<u>4,537</u>

Kidscene						
Fees for services	114	45	-	-	114	45
Grants	-	40	-	-	-	40
SOFA	<u>114</u>	<u>85</u>	-	-	<u>114</u>	<u>85</u>
Adult services						
Fees for services	3,116	2,858	-	-	3,116	2,858
Sundry income	-	-	-	-	-	-
SOFA	<u>3,116</u>	<u>2,858</u>	-	-	<u>3,116</u>	<u>2,858</u>
Older people's services						
Fees for services	6	3,167	-	-	6	3,167
Sundry income	-	83	-	-	-	83
SOFA	<u>6</u>	<u>3,250</u>	-	-	<u>6</u>	<u>3,250</u>
Community Services						
Fees for services	267	-	-	-	267	-
Sundry income	-	-	-	-	-	-
SOFA	<u>267</u>	-	-	-	<u>267</u>	-
Scottish Braille Press						
Sales	2,755	2,753	-	-	2,755	2,753
Funding for supp'd employment	59	66	-	-	59	66
Office rental	-	30	-	-	-	30
Sundry income	6	18	-	-	6	18
SOFA	<u>2,820</u>	<u>2,867</u>	-	-	<u>2,820</u>	<u>2,867</u>
Total from charitable activities	<u>8,395</u>	<u>10,842</u>	<u>2,736</u>	<u>2,755</u>	<u>11,131</u>	<u>13,597</u>

c) Income from investments

	Unrestricted		Restricted		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Dividends	351	378	-	-	351	378
Bank interest	-	1	-	-	-	1
SOFA	<u>351</u>	<u>379</u>	-	-	<u>351</u>	<u>379</u>

d) Other income

Receivable from Sight Scotland Veterans	598	612	-	-	598	612
Gain on disposal of fixed assets	-	4,517	-	-	-	4,517
Other income	<u>123</u>	<u>260</u>	=	=	<u>123</u>	<u>260</u>
SOFA	<u>721</u>	<u>5,388</u>	=	=	<u>721</u>	<u>5,388</u>

4. EXPENDITURE

2022

	Activities undertaken directly £000	Grants £000	Support Costs (Note 5) £000	Total 2022 £000
Raising funds				
Raising donations	300	-	20	320
Investment fees	<u>28</u>	<u>-</u>	<u>-</u>	<u>28</u>
	<u>328</u>	<u>-</u>	<u>20</u>	<u>348</u>
Royal Blind School	4,343	-	491	4,834
Kidscene	116	-	25	141
Adult Services	2,836	-	257	3,093
Older People Serv	400	-	-	400
Community Serv	484	-	50	534
Sc. Braille Press	2,405	-	216	2,621
Development	998	-	-	998
Marketing	309	-	23	332
Grants for research	-	-	-	-
Other	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
	<u>11,900</u>	<u>-</u>	<u>1,062</u>	<u>12,962</u>
Provision of services to Sight Scotland Veterans	<u>598</u>	<u>-</u>	<u>-</u>	<u>598</u>
	<u>12,826</u>	<u>-</u>	<u>1,082</u>	<u>13,908</u>

All expenditure from restricted funds in 2022 and 2021 was in the category "Activities undertaken directly" and is included above.

2021	Activities undertaken directly £000	Grants £000	Support Costs (Note 5) £000	Total 2021 £000
Raising funds				
Raising donations	666	-	30	696
Investment fees	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
	671	-	30	701
Charitable activities				
Royal Blind School	4,544	-	389	4,933
Kidscene	129	-	18	147
Adult Services	2,499	-	161	2,660
Older People Serv	6,414	-	403	6,817
Community Serv	69	-	-	69
Sc. Braille Press	2,486	-	170	2,656
Development	1,259	-	-	1,259
Grants for research	-	100	-	100
Other	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
	17,400	110	1,141	18,651
Other expenditure				
Impairment	4,172	<u>-</u>	<u>-</u>	4,172
Provision of services to Sight Scotland Veterans	<u>612</u>	<u>-</u>	<u>-</u>	<u>612</u>
	4,784	-	-	4,784

**5. SUPPORT COST ALLOCATION
2022**

	Mgt £000	Fin £000	HR £000	IT £000	Fac £000	Gov £000	Total £000
School	9	92	93	85	205	7	491
Kidscene	-	7	7	6	4	1	25
Adult Services	7	74	75	68	27	6	257
Comm.Services	1	13	13	11	11	1	50
Sc. Braille Press	5	63	63	57	23	5	216
Mktg/Fundraising	<u>1</u>	<u>14</u>	<u>14</u>	<u>13</u>	<u>-</u>	<u>1</u>	<u>43</u>
Total	23	263	265	240	270	21	1,082

Management (Mgt), Finance (Fin), Human Resources (HR) IT and Governance (Gov) are allocated based on an average number of staff. Facilities Management (Fac) is allocated based on an estimation of floor area. Governance costs of £20,000 (2021, £22,000) include external audit fees of £17,000 (2021, £18,000). No fee was payable to the auditor for non-audit services (2021, nil).

2021

	Mgt £000	Fin £000	HR £000	IT £000	Fac £000	Gov £000	Total £000
School	9	60	68	69	178	5	389
Kidscene	1	5	5	5	2	-	18
Adult Services	6	41	46	47	18	3	161
Older People	15	102	115	118	44	9	403
Sc. Braille Press	6	43	48	49	20	4	170
Mktg/Fundraising	<u>1</u>	<u>8</u>	<u>10</u>	<u>10</u>	<u>0</u>	<u>1</u>	<u>30</u>
Total	<u>38</u>	<u>259</u>	<u>292</u>	<u>298</u>	<u>262</u>	<u>22</u>	<u>1,171</u>

6. STAFF NUMBERS AND COSTS

	2022 £000	2021 £000
Wages and salaries	8,238	12,055
Redundancy & Severance Pay	-	812
Social security costs	718	1,009
Pension contributions	712	1,268
Adjustment to FRS102 basis	<u>-</u>	<u>455</u>
Pension costs	<u>712</u>	<u>1,723</u>
Total staff costs	<u>9,668</u>	<u>15,600</u>

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

	2022 FTE	2022 Head	2021 FTE	2021 Head
Royal Blind School	79	96	87	105
Kidscene	4	7	4	8
Adult Services	64	74	61	72
Older Peoples Serv's	0	0	141	178
Scottish Braille Press	64	70	68	74
Community Services	12	12	3	3
Head Office	<u>49</u>	<u>52</u>	<u>52</u>	<u>55</u>
	<u>272</u>	<u>311</u>	<u>416</u>	<u>495</u>

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

	2022 Number	2021 Number
£60,001 - £70,000	7	7
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1

Contributions in the year to a defined benefit pension for the above staff were £ nil (2021, £64,134) and to a defined contribution pension were £67,960 (2021, £54,044). No remuneration has been paid to any Director or member of committee in respect of their duties (2021, £nil). No expenses were paid to any Director (2021, £nil).

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

The total remuneration of the Chief Executive role for work with both charities, was £75,475 (2021, £122,000). The reduced amount is due to a change in postholder during the year resulting in a 3 month period during which an interim Chief Executive was in post. The new Chief Executive took up post in January 2022.

7. TANGIBLE FIXED ASSETS

	Heritable Property £000	Furniture & Equip £000	I.T. £000	Vehicles £000	Total £000
Cost					
1 April 2021	37,055	2,359	928	321	40,663
Additions	136	175	-	-	311
Disposals	<u>(9,399)</u>	<u>(833)</u>	<u>(95)</u>	-	<u>(10,327)</u>
31 March 2022	<u>27,792</u>	<u>1,701</u>	<u>833</u>	<u>321</u>	<u>30,647</u>
Accumulated depreciation					
1 April 2021	13,098	1,737	909	274	16,018
Charge for year	608	127	8	22	765
Disposals	<u>(1,739)</u>	<u>(572)</u>	<u>(92)</u>	-	<u>(2,403)</u>
31 March 2022	<u>11,967</u>	<u>1,292</u>	<u>825</u>	<u>296</u>	<u>14,380</u>
Net book value					
31 March 2022	<u>15,825</u>	<u>409</u>	<u>8</u>	<u>25</u>	<u>16,267</u>
31 March 2021	<u>23,957</u>	<u>622</u>	<u>19</u>	<u>47</u>	<u>24,645</u>

Included in the above are assets in the course of construction £nil (2021, £526,000), and land, included in heritable property, which is not subject to a depreciation charge, £2,228,000 (2021, £4,184,000).

8. INVESTMENTS

	2022	2021 £000
Market value as at 1 April 2021	17,378	17,988
Additions at cost	3,009	1,013
Disposals at opening book value	<u>(966)</u>	<u>(4,509)</u>
	19,421	14,492
Change in market value in the year	<u>1,420</u>	<u>2,886</u>
Market value as at 31 March 2022	20,841	17,378
Cash held for investment	<u>33</u>	<u>12</u>
Total investments	<u>20,874</u>	<u>17,390</u>
Investments held at cost	16,700	14,612
Cash held for investment	<u>33</u>	<u>13</u>
Cost as at 31 March 2022	<u>16,733</u>	<u>14,625</u>
The market value represents:		
Investments listed on a recognised stock exchange		
United Kingdom	17,655	14,047
Outside the United Kingdom	<u>3,186</u>	<u>3,331</u>
	<u>20,841</u>	<u>17,378</u>

Five (2021, five) investments individually exceed 5% of the portfolio:

Aberdeen Diversified Growth Fund valued at £4,223,000 (2021, £3,549,000)

The Partners Fund valued at £5,779,000 (2021, £5,062,000)

Henderson Multi Asset Credit Fund valued at £4,464,000 (2021, £3,530,000)

Legal and General International Index Trust valued at £3,187,000 (2021, £3,331,000)

Aberdeen Asset Managers Charities Property Fund valued at £1,776,000 (2021, £1,529,000).

All investments are held to provide an investment return.

The Henderson Multi Asset Credit Fund is placed with Janus Henderson Investors.

9. DEBTORS

	2022	2021
	£000	£000
Trade debtors	3,297	1,895
Debtors > 1 year	2,037	4,000
Prepayments	180	108
Due from Sight Scotland Veterans	316	199
Taxation recoverable	19	37
Accrued income	<u>343</u>	<u>416</u>
	<u>6,192</u>	<u>6,655</u>

Debtors > 1 year relates to phased receipts for the sale of the Craigmillar Park campus, which will be paid in stages over the next three years.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Suppliers	162	153
Accruals	212	291
Due to HMRC	181	341
Pension costs	97	159
Deferred income	<u>41</u>	<u>42</u>
	<u>693</u>	<u>986</u>

Deferred Income of £41,000 (2021, £42,000) relates to grants already received for goods and activities that will be expended during 2022.

11. PENSION COSTS

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

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

There are a number of different methods used to estimate any surplus or deficit in Defined Benefit Pension Schemes. The method used in these accounts is, as required by Generally Accepted Accounting Principles, in accordance with Financial Reporting Standard 102 and the result indicates that there is no deficit in the Pension Scheme at 31 March 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. Subsequently the Trustees of Sight Scotland have reached agreement with the Trustees of the Pension Scheme whereby substantial monthly recovery payments will be made until 2027, along with additional one-off lump sum payments in order to address the deficit, which have now been made.

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:

	2022	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 £4,900,000 (2021: £1,458,000) and included £4 million of exceptional contribution made to address the estimated pension scheme deficit. We estimate that payments to the scheme in the year to 31 March 2023 will be 0.9M, all of which will be deficit recovery payments.

The fund has been valued in accordance with the requirements of FRS102 by Audrey Hay of JLT/Mercer on 10 June 2022. The actuarial valuation of the

fund and any potential liabilities, and the assumptions made by the Directors as the basis of the valuation, are shown overleaf.

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 at age 65, 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	20.5	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	24.3

Assets	31 Mar 2022		31 Mar 2021	
	£000's	%	£000's	%
Invested assets	<u>50,338</u>	<u>100</u>	<u>46,734</u>	<u>100</u>
Total	<u>50,338</u>	<u>100</u>	<u>46,734</u>	<u>100</u>

Liability and Funded Status at 31 March	2022	2021	2020	2019	2018
	£000's	£000's	£000's	£000's	£000's
Fair value of plan assets	50,338	46,734	41,193	39,062	36,044
Value of funded oblig'ns	<u>(42,275)</u>	<u>(45,605)</u>	<u>(40,340)</u>	<u>(46,216)</u>	<u>(42,939)</u>
Restriction of pension surplus	(8,063)	(1,129)	(853)	-	-
Surplus/(Deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,154)</u>	<u>(6,895)</u>

The charge to the Statement of Financial Activities	2022	2021
	£000's	£000's
Service cost	-	455
Net interest expense	(53)	(31)
Losses (gains) due to benefit changes	<u>-</u>	<u>-</u>
Total included in employer expense	<u>(53)</u>	<u>424</u>

Analysis of the change in the defined benefit obligation

	2022	2021
	£000's	£000's
Opening defined benefit obligation	45,605	40,340
Current service cost	-	455
Interest cost	986	916
Actuarial (gains)/losses	(2,694)	5,356
Benefits paid	(1,622)	(1,462)
Losses due to benefit change	<u>-</u>	<u>-</u>
	<u>42,275</u>	<u>45,605</u>

Analysis of the change in fair value of plan assets

	2022	2021
	£000's	£000's
Opening fair value of plan assets	46,734	41,193
Interest income	1,064	947
Actuarial gains / (losses)	(738)	4,598
Contributions	4,900	1,458
Benefits paid	<u>(1,622)</u>	<u>(1,462)</u>
	<u>50,338</u>	<u>46,734</u>

	2022	2021
Analysis of actuarial gains/(losses)		
	£000's	£000's
Asset return (less interest income recognised in the SOFA)	(738)	4,598
Experience (losses) on benefit obligation	(126)	219
Effect of assumptions changes on benefit obligation	2,845	(5,575)
Restriction of Pension surplus	<u>(6,934)</u>	<u>(1,129)</u>
Total actuarial gains/(losses)	<u>(4,953)</u>	<u>(1,887)</u>

History of Experience Gains and Losses

	2022	2021
	£000's	£000's
Difference between the asset return and the interest income recognised in the SOFA	(53)	424
- as % of scheme assets	<u>0%</u>	<u>1%</u>
Experience gains/(losses) on obligation	(151)	219
- as % of liabilities	<u>0%</u>	<u>0%</u>
Total amount recognised in the SOFA	4,953	1,034
- as % of liabilities	10%	2%

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

12. RESTRICTED FUNDS 2022

	Balance 31.3.21	Income	Expenditure	Balance 31.3.22
	£000	£000	£000	£ 000
Capital grants	623	48	(62)	609
Grants applied in year	-	2,688	(2,688)	-
Donations applied in year	<u>10</u>	<u>80</u>	<u>(10)</u>	<u>80</u>
Total	<u>633</u>	<u>2,816</u>	<u>(2,760)</u>	<u>689</u>

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

The grants applied for the year ending 31 March 2022 relate to a Scottish Government grant for the Royal Blind School to offer capital and revenue support. Donations applied for during the year relate to funding for development of activities in the Older People Services and a courtyard regeneration project at the Royal Blind School.

RESTRICTED FUNDS 2021

	Balance 31.3.20	Income	Expenditure	Restated Balance 31.3.20
	£000	£000	£000	£ 000
Capital grants	649	-	(26)	623
Grants applied in year	-	2,885	(2,885)	-
Donations applied in year	<u>10</u>	<u>10</u>	<u>(10)</u>	<u>10</u>
Total	<u>659</u>	<u>2,895</u>	<u>(2,921)</u>	<u>633</u>

**13. UNRESTRICTED FUNDS
2022**

	General Fund	Investm't Reserve	Pension Reserve	Total
	£000	£000	£000	£000
Balance 31.3.21	44,733	2,765	-	47,498
Net income / (expenditure) before other recognised gains	277	-	-	277
Adjustment to Pension Fund Reserve	(4,953)	-	4,953	-
Investment disposals, gains and losses	(1,376)	1,376	-	-
Actuarial Gains/(Loss)	-	-	(4,953)	(4,953)
Balance 31.3.22	<u>38,681</u>	<u>4,141</u>	<u>-</u>	<u>42,822</u>

2021

	General Fund	Investm't Reserve	Restated Pension Reserve	Total
	£000	£000	£000	£000
Balance 31.3.20 (Restated)	50,387	(240)	-	50,147
Net income / (expenditure) before other recognised gains	(762)	-	-	(762)
Pension deficit recovery	(999)	-	999	-
Adjustment to Pension Fund Reserve	(888)	-	888	-
Release of designated fund Investment disposals, gains and losses	(3,005)	3,005	-	-
Actuarial Gains/(Loss)			(1,887)	(1,887)
Balance 31.3.21	<u>44,733</u>	<u>2,765</u>	<u>-</u>	<u>47,498</u>

14. 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	-	-	80	80
Capital grants reserve	<u>609</u>	-	-	<u>609</u>
Designated funds				
	-	-	-	-
Other unrestricted funds				
Investment reserve	-	4,141	-	4,141
Pension reserve	-	-	-	-
General fund	<u>15,658</u>	<u>16,733</u>	<u>6,290</u>	<u>38,681</u>
Total funds	<u>16,267</u>	<u>20,874</u>	<u>6,370</u>	<u>43,511</u>
At 31 March 2021:				
Restated				
Restricted funds				
Revenue Grant	-	-	10	10
Capital grants reserve	<u>623</u>	-	-	<u>623</u>
Designated funds				
	-	-	-	-
Other unrestricted funds				
Investment reserve	-	2,765	-	2,765
Pension reserve	-	-	-	-
General fund	<u>24,022</u>	<u>14,626</u>	<u>6,085</u>	<u>44,733</u>
Total funds	<u>24,645</u>	<u>17,391</u>	<u>6,095</u>	<u>48,131</u>

15. CONNECTED ORGANISATION

The Directors of Sight Scotland act as Trustees of Sight Scotland Veterans. This is a separate charity having its own funds and properties. Sight Scotland provided administrative services for which a fee was received of £598K (2021, £612K). At the balance sheet date, a charge was due from Sight Scotland Veterans amounting to £316K (2021: £199K).

16. FINANCIAL INSTRUMENTS

	2022	2021
	£000	£000
Financial assets		
Financial assets measured at fair value	20,841	17,378
Financial assets measured at amortised cost	<u>4,694</u>	<u>6,783</u>
	<u>25,535</u>	<u>24,161</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>471</u>	<u>577</u>

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

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

17. NET DEBT RECONCILIATION

	1 April 2021	Cash Flows	31 March 2022
Cash and cash equivalents	<u>271</u>	503	<u>774</u>

18. POST BALANCE SHEET EVENT

In May 2022, Sight Scotland joined the Financial Redress Scheme under the terms of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021 and made a payment of £30K under the terms of the act. No adjustment has been made for this in the accounts.

