

# Annual report and consolidated accounts

For the year ended 31 March 2023

**SCOPE**



Equality for  
disabled people

# Our values

## Pioneering

We are ambitious and determined to drive change. We focus on how we can make the most impact. We innovate and strive for better, pushing ourselves and our boundaries.

## Courageous

We are single minded in our desire to achieve equality. We are bold, challenging the status quo, ourselves and each other. We are not afraid to fail fast and learn quickly.

## Connected

We connect and collaborate internally and externally, to create a fairer society. We listen and share, tapping into the expertise of others.

## Open

We are transparent about what we do and how we do things. Creating supportive, accessible environments, building trust with each other and our customers to achieve more.

## Fair

We make sure everyone has a fair chance. We value and respect each other's expertise and diversity. We take responsibility for what we do and support each other to succeed.

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## Trustees' report

The Board of Trustees presents the Trustees' report, including a Strategic report, and audited consolidated financial statements for the year ended 31 March 2023.

## Chair's report

As Chair, I am immensely proud of last year's achievements of Scope's 850 colleagues and 4,000 volunteers, working towards equality for every disabled person. Each and every one of them is committed to our vision, committed to improving society, and committed to making sure every disabled person is afforded equality and an even chance of success, better health and financial security.

2022 was an important year for Scope as we marked our 70th anniversary. It was a chance to celebrate and reflect on the tremendous amount that's changed for disabled people since we were founded. It was also an opportunity to look to the future and renew our focus on tackling the barriers to equality that disabled people still face.

As part of last year's programme, we held our first Scope Disability Equality Awards. Celebrating the achievements of individuals and organisations who are making a success of their lives, campaigning for equality and bringing about social change. We know their stories will empower and inspire others.

We also published significant and disturbing new research into public attitudes towards disability. Our research, into disabled people's experience of attitudes, found 72% of disabled people had often experienced negative attitudes and behaviours.

Such negative attitudes mean disabled people's ambitions, talent and potential are going untapped in all areas of life. This is why transforming attitudes is one of our biggest priorities.

We know that disability inclusion lags well behind all other minority groups in Britain's workplaces, with huge amounts of disabled talent going to waste and businesses missing out on greater profits from having diverse workforces. Scope launched Scope for Business, to address this problem and support businesses to be more accessible and inclusive for disabled people. We've supported workplaces through our dedicated advice and training programmes. We want every business to be inclusive inside and out.

This year has been a difficult one for many disabled households as energy prices rose. Our colleagues who run our vital helplines provided advice and support to thousands of disabled families and individuals who felt they had nowhere left to turn, offering support on grants, discounts and financial assistance. Over the year we identified £2 million in savings and bill reductions. A real achievement.

None of Scope's work would be possible without the support of our donors, the people who campaign with us, our volunteers who work tirelessly across the country, our corporate partners and our Ambassadors.

I want to thank every one of you for your continued support for our mission and for your commitment to disability equality.

It is the job of all of us, together, to make sure that disabled people are treated fairly, with respect and dignity, and recognised by society for all our talents.

As we look to the future, there is a big job to do, tackling negative attitudes and improving the world of work, things we have heard loud and clear when speaking to so many disabled people, colleagues and volunteers.

As a trained audio engineer I know that 'moving the needle' only happens when you shout at the microphone. Stop shouting and the needle goes back to zero.

Scope's new strategy, is all about achieving irreversible changes for the benefit of disabled people and the resulting benefit to all. We intend to deliver even greater impact, and we will do this by working with even more individuals, communities, and companies.

Our determination to achieve equality for Britain's 16 million disabled people has never been stronger. I am excited about Scope's future and the difference we can make.

*Robin Millar*

Sir Robin Millar CBE

## Chief Executive's report

Last year marked Scope's 70th anniversary a key milestone in our mission to achieve equality for disabled people. The year presented an opportunity to both celebrate the amount of positive change that's happened for disabled people, and to reflect on the inequalities that the UK's 16 million disabled people still face.

Throughout last year, we saw continuing disruption from the pandemic and the increasing cost of living. We rose to meet these challenges, reaching 3.7 million people with some of the essential support they needed, in the way they needed it, by delivering our services both online and in-person.

The cost of living crisis was a core focus of our policy and campaigning activity, and the services and support we offered. We know on average, disabled households need an additional £975 a month to have the same standard of living as non-disabled households. Government, companies and regulators have promised action, but are yet to deliver sustainable changes.

We sent an open letter to the Chancellor, supported by 58,000 people and nearly 100 organisations, calling for the introduction of a social energy tariff. Our call for a ban on forced prepayment meters amongst disabled households received widespread support from the charity sector, the regulator and the Secretary of State for Energy.

We know energy costs for disabled people remain higher throughout the year. That's why we'll continue to call on Government to tackle the extra costs faced by disabled people and their families.

Our focus on attitudes continued, with the publication of our Attitudes and Disability Report at the end of the year. The report found negative attitudes towards disabled people are still far too common in the UK today. Shifting attitudes requires action on many fronts. Organisations, institutions and individuals all have a role to play. And they all need to work together.

- Government to change its thinking about benefits and how disabled people interact with the welfare system.
- Individuals to understand the effect their words and actions can have.
- Disability organisations and campaigners working to raise awareness and improve understanding around employing disabled people, disabled consumers and disabled passengers.

We continued our Let's Play Fair campaign, as too many disabled children are still being denied fun and friendship because their local playgrounds are not designed for them. In November 2022, we delivered an open letter to Government departments in England and Wales, signed by over 30,000 supporters, calling for a multi-million-pound inclusive playgrounds fund.

Amongst a number of key recommendations in the Health and Disability White Paper, issued in March 2023, we saw a big win for Our Disability Benefits Without the Fight campaign. As the Government announced plans for a trial where disabled people are matched with a specialist benefits assessor who understands their primary health condition.

In retail, our team generated income of over £3.3 million by selling corporate donations of stock in our shops and online, making it a record-breaking year. Investing money in running our charity shops also helps us reach people in their communities, so we're continuing to prioritise planned investment in new shop openings, with 5 refurbishments completed and more planned for 2023 to 2024.

Community presence and support is a vital part of our work at Scope. We launched our new Youth Community Collective service, supported by Barclays in locations across the UK, which saw 1,020 young people and 141 professionals engage with us through a variety of events. And we allocated £1.5 million in grants through the Connecting Communities Grants programme, enabling 77 organisations to support 130,000 disabled people to reduce their isolation and improve their mental wellbeing.

Last year, we acted on plans to grow our membership and engage more with our members. This saw Scope's membership increase by 463 new Members, including 200 new young Members, whose experience and insight is supporting our work and increasing our impact.

Our people and volunteers remain essential to us delivering our messages and our work. We're committed to providing extensive safeguarding training and reporting, to make sure our people, volunteers and customers feel safe, supported and able to speak up too.

We aim for all our work to be guided by the experiences of the UK's 16 million disabled people. Our first Scope Disability Equality Awards was an opportunity for us to celebrate disabled people who've been tackling outdated attitudes and who are at the forefront of social change.

We remained committed to co-production, including through our work in communities, as well as through our Members' involvement in our activities. By co-producing our work with disabled people and families, we'll continue to further amplify the voices of disabled people.

As we collaborate with disabled people and allies across the UK, we value and respect each other's expertise and diversity. And we place equality, diversity and inclusion at the heart of everything we do. This year we established our first Equality, Diversity and Inclusion (EDI) team and appointed both a Head of Inclusion and an EDI Co-ordinator. We hosted employee and volunteer roundtables, to better understand the experiences of our colleagues. We set up colleague networks, including our Disabled Colleagues Network, Equality in Race Network, LGBTQ+ Network and Gender Equality Network. And we diversified the membership of our Board of Trustees, to include a broader range of lived experience.

Throughout last year, we continued with further planned investment in growing our income for the long term. We scaled up our individual giving fundraising and results exceeded expectations, both in the recruitment of new supporters and in the retention of our strong base of existing supporters.

Every pound we raise is extremely important to us. In 2022/23, for every £1 we spent, (excluding the cost of running our shops), 69% was spent on our charitable goals to help disabled people and their families (compared to 66% in 2021/22). The total amount spent on our charitable activities was £19.5 million, a 38% increase.

Finally, I want to take this opportunity to say thank you to every single one of you who's helped us in our goal to achieve everyday equality for disabled people.

This work is only possible thanks to our 850 colleagues and over 4,000 volunteers, alongside our many supporters, campaigners, fundraisers and shoppers. Special thanks are due to our Trustees and Independent Committee Members, patrons, ambassadors, corporate partners and funders.

Your support powers everything we do.

A handwritten signature in black ink, appearing to read 'M Hodgkinson', followed by a long horizontal line and a period.

Mark Hodgkinson



# **Our objects and public benefit**

## **Objects**

Scope is established for the public benefit and for general charitable purposes according to the laws of England and Wales. In particular, but not exclusively, for the promotion of the equality, diversity, independence and health of disabled people, especially those with Cerebral Palsy.

## **Public benefit aims**

In exercising relevant powers and duties, the Board of Trustees has considered the Charity Commission's guidance on public benefit. This report outlines how our performance during the year to 31 March 2023 has benefited the public.

# Strategic report

## Our vision

We won't stop until we achieve a society where all disabled people enjoy equality and fairness.

## Our mission

We're a strong community of disabled and non-disabled people with a shared vision of equality.

We provide practical advice and emotional support whenever people need them most. We do this through our Scope helpline, our online community, a range of employment and family services, community engagement programmes, and more. All of our services are developed to achieve our strategy, Everyday Equality.

We use our collective power to change attitudes and end injustice. We partner with others to increase our reach and impact. And we campaign relentlessly to create a fairer society.

## Our impact

Last year, we reached over 3.73 million people with some of the essential support they needed to make informed decisions and live more independent lives, while coping with the cost of living crisis, through our helpline, our online information and advice, and our online community.

That figure is 180,000 more people than the year before. We also launched a major new cost of living campaign and we grew the number of people campaigning with us to 70,000.

More details on all of our work will be available in our impact report 2022/23.

## Cerebral Palsy

We continued to provide specialist information and support on cerebral palsy (CP) through our online community, website and helpline. We also continued to grow our monthly meet-up for people with an interest in cerebral palsy and Scope's work.

We supported the National Bobath Cerebral Palsy Centre with the launch of annual reviews for those living with CP. Our lead on cerebral palsy supported the University of Nottingham in their project to explore the effects of growing older with CP. And we continued to make sure we're able to influence specific issues related to CP throughout the year.

We launched a Trustee-led task force to review our future approach to meeting those needs that are specific to cerebral palsy. The task force will make sure the views of those living with CP and their families are included in any outcome of the work. The task force will conclude in 2023 and its learnings will inform how we continue to meet the needs of those

living with CP within our strategy, as well as guiding our approach to the needs that can't be met within our strategic goals.

## **Independence**

If everyday equality is to be a reality for disabled people, we need to change attitudes and make physical and online spaces accessible. Disabled people need to have more influence over their lives, so they can live independently and fulfil personal aspirations.

### **Supporting disabled people to be more independent**

Last year, we provided 3,689,885 people with much of the essential support they needed to make informed decisions and meet the challenges they face, through our online information and advice, and our online community.

### **Putting disabled people at the heart of what we do**

Disabled people and their families' experiences are key to everything we do. We now have over 160 storytellers who share their stories publicly to make everyday equality a reality. In the last year, 91 of our storytellers lent their support to more than 200 Scope projects and were featured in over 50 regional and national media.

We've grown our Research Panel to include over 2,000 disabled people and parents and carers of disabled children. The Panel helps us gather insights and develop new products and services, making sure they meet disabled people's needs. Last year, utility companies, travel companies and health care providers worked with the Scope Research Panel to gain valuable insights from disabled people.

In 2022, we ran the first Scope Disability Equality Awards. The event was co-produced with a group of disabled people from the very beginning.

Co-production with disabled people is fundamentally important to us. It's an approach we're fully committed to, across everything Scope does.

## **Information and advice**

Our information and advice services have been a vital source of support for disabled people and their families. Unsurprisingly, much of our work has pivoted to the cost of living crisis, empowering disabled people who face rising bills to access support and receive the benefits they have a right to.

- Our Disability Energy Support and Helpline services supported a total of 42,275 customers and a further 9,122 Scope supporters, providing information and advice that was vital as the cost of living soared.
- Our Disability Energy Support with Water service provided information and advice that enabled disabled people to achieve an estimated saving of £1.9 million.

## Our family services

There are more than one million disabled children in the UK. We provide advice and support to parents and carers, and campaign for disabled families to be included. Our services worked with 3,000 families last year and our Let's Play Fair campaign raised the profile of disabled children.

At Scope, we believe every disabled child should be able to fulfil their potential and have the confidence to succeed as they grow up. So we're working to make sure every family gets the support they need to make this happen.

### Supporting disabled families

- Overall, we increased the number of people we supported through our family services by almost 1,000 from 2,058 in 2021/22 to 3,014 people in 2022/23. This figure increases by an estimated 130,000 people, when taking into account the Connected Community Grant fund of £1,500,000 we allocated to 77 organisations across the UK.
- Our Sleep Right service worked with 1,070 families to improve their disabled child's sleep, and parents' resilience and wellbeing.
- Navigate, our national mentoring service, provided practical and emotional support for 542 parents and carers of disabled children.
- Through our Parents Connect support programme, we worked with 152 parents and carers in scheduled groups.
- Our Activities for All inclusion service supported 95 families with information and advice. 23 disabled children were supported to access mainstream activities and 10 mainstream settings were supported to become more inclusive for disabled children.

Over the last year, we saw the ongoing impact of the pandemic and the cost of living crisis on families of disabled children. Through our grant programme, we've continued to provide disabled people's groups and organisations with vital support, much of it focused on the cost of living crisis.

### Community engagement

- We launched our new Youth Community Collective service, supported by Barclays, in Cardiff, Leeds, London, Manchester and Peterborough. In its first year a total of 1,020 young people and 141 professionals have engaged with us, through a variety of events.
- Our community engagement service operated across 5 regions, working with 112 disabled people and carers.
- Through the Connecting Communities Grants programme, we allocated £1.5 million in grants, which helped 77 organisations support 130,000 disabled people to reduce their isolation and improve their mental wellbeing post Covid.

- Last year, we set out plans to grow our membership and engage more with our Members. As a result, Scope's membership has increased by 463 Members. This includes 200 new young Members (18 to 25 years old), now representing 17% of our membership, compared to 3% in previous years.
- We continued to provide emergency support during the cost of living crisis, issuing 2,094 fuel vouchers with a total value of £136,918.

## Employment services

The disability employment gap is the difference between the employment rates of disabled people and non-disabled people. Right now it's stuck at around 30%. We're working to improve this. Our employment support programmes provide voluntary and tailored advice and guidance to disabled people who are looking for work, or a career, or who want to move closer to the jobs market. And our campaigning has sought to make sure Government, employers and the public recognise the benefits of closing the employment gap.

### Our employment support

We continue to deliver our services in the way that works for our customers, both online and in-person.

Our fully digital national employment service Support to Work reached 769 disabled people, enabling 269 to find paid work within 12 weeks.

We continued to offer support once our Support to Work customers find work, providing 156 disabled people with tailored in-work support. We're now looking to enhance this offer across our other employment services.

Through our one-to-one support programme Kickstart, we supported 312 disabled people, with 103 starting paid employment and a further 84 beginning training, education or volunteering.

And our pre-employment training programme, Starting Line, supported 362 disabled people at the start of their journey into work, with 46 gaining paid work and 190 starting training, education or volunteering.

2022/23 was the third full year that we delivered our Working on Wellbeing service, with 405 disabled people supported by both Scope and our expansion partners, Whitehead Ross, Disability Can Do and Resource Wales. We continue to deliver this service with our funding partner Legacy in the Community.

Advisers at our Career Pathways programme started delivering in London and Leeds, as well as virtually across England and Wales. They provided independent careers advice to 611 young disabled people, 153% over our yearly target.

Our pilot service delivering an individual pathway of support reached 71 customers, with 20 going on to find a job and a further 26 continuing with volunteering, training and education.

Following this success, we're expanding the pilot service across England from 1 April 2023, calling it Support to Work Extra.

Our internal Jobs Board, which is offered across all of our employment services, added 110 new employers, with 2,905 vacancies for our customers to apply for.

We also developed and launched our new customer eLearning platform, Learn at Scope. It hosted 221 users, who completed 303 online employment modules. This platform was developed and tested with our internal employment service teams and customers, but it's now been opened externally via our website.

## **Influencing and campaigning**

We launched our Let's Play Fair campaign, calling on Government to make playgrounds inclusive. Over 30,000 people backed our call and 500 campaigners phoned, met with, or spoke to their local MP about why playgrounds need to be inclusive. We asked disabled families what an inclusive playground could look like, and we commissioned three disabled artists to bring their ideas to life.

We also published ground-breaking new research into current attitudes towards disability and disabled people in this country. Our research, the largest of its kind globally, found that 3 in 4 disabled people have experienced negative attitudes or behaviour in the previous 5 years. We've used our findings to begin to influence media representation and portrayal of disability.

We launched a major new campaign to highlight the impact of the cost of living crisis on disabled families and households, and call for greater financial support. We successfully secured additional payments from Government for disabled households and we worked to challenge the energy supplier practice of forcibly installing pre-payment meters. Our campaign to secure a social energy tariff, in partnership with AgeUK, was backed by MPs from all political parties and over 55,000 members of the public and industry. Scope will keep pushing for the social energy tariff, this year.

With our Disability Benefits Without the Fight campaign, we successfully secured a commitment from Government to introduce specialist benefits assessors, as part of the Department of Work and Pensions White Paper in March 2023.

## **Working in partnership**

Spiralling energy costs have affected too many of us over the past 18 months.

Last year Scope expanded its Disability Energy Support service, providing information and advice to disabled people, as they're being disproportionately affected by this crisis. We also significantly scaled up our Disability Utilities Support helpline and online services. Our Scope Utilities Partners have worked with us to improve accessibility of services and help drive better outcomes for disabled people.

This was achieved with financial support for the services and pro-bono promotion from British Gas Energy Trust, Energy Savings Trust, Sainsbury's, The Post Office, ITV, Clear

Channel, SGN, Wales and West Utilities, Cadent, Northern Gas Networks, UK Power Networks, Anglian Water, Wessex Water, Bristol Water and Outfox the Market.

Energy prices are still double what they were 2 years ago, while rampant inflation means the cost of food and other essentials is rocketing, so we continue to seek utility sector support in asking the Government to provide a social tariff for the most vulnerable.

Last year Scope saw an 18% increase in people visiting our helplines and almost 38,000 disabled people saved close to £2 million on their bills.

Scope continues to work with organisations in the utilities sector to help them understand disabled customers' needs, alongside the barriers and the extra costs they face. This will lead to better outcomes for disabled people and their families.

We continued our partnership with Deloitte on a number of financial, pro bono and volunteering programmes of activity. And we co-created and launched a new online learning platform service (Learn at Scope) with the HSBC Social Inclusion Fund.

## **Extra costs**

Disabled households, on average, face a monthly price tag of £975<sup>1</sup>. These are costs that non-disabled people don't always experience, representing an unfair financial penalty for disabled people.

We're working with businesses and Government to tackle the Disability Price Tag.

## **A fairer energy market**

We know many disabled households have to use more energy, to power lifesaving equipment, for example, which means higher bills. The current cost of living crisis has led to disabled household energy bills increasing massively.

It's one of the reasons why we partner with utility suppliers and network companies, through our Scope Utilities Membership. We collaborate with suppliers and network companies, like SGN and UK Power Networks, to help them reduce extra costs and improve services for disabled people. This includes raising awareness of the issues disabled people face across the sector.

Last year our Disability Energy Support helpline supported disabled people to identify £1,929,868 of savings.

## **Looking ahead**

As we come to the end of our current strategy period for Everyday Equality, we'll continue our momentum with a new 10-year strategy. As ever, we'll make sure our work to campaign for equality is guided by the experiences of the UK's 16 million disabled people. And we'll

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<sup>1</sup> Scope – The disability price tag (2023)

stay committed to co-producing our work with disabled people and families, amplifying their voices and making a larger impact together.



# Financial review

## Overview

2022/23 was a year of significant investment for Scope:

- We planned to utilise funds to progress with strategic investment projects that had not been possible in the last few years.
- We also took the opportunity to invest further in our fundraising supporter base to build our income to fund future activities.
- Our financial plan for the year included an operating deficit funded from reserves to maintain our charitable services while we grow our income.

Like many others, we've had to respond to volatile economic conditions and increased costs, to continue operating in an environment where disabled people are facing unprecedented challenges.

We maintained all our online and in-person services to continue providing support to disabled people and families. Through our campaigning and social change activities, we stayed focused on representing the voices of all disabled people. We worked closely with businesses and Government, alongside our partners in the Disability Charities Consortium (DCC), to provide additional support to those who remain vulnerable to the ongoing effects of the pandemic and who are disproportionately impacted by the increasing cost of living.

We planned to grow our income over two years to cover the higher costs of operating and all of our ongoing income streams have increased in the year. While we move towards the point where our income covers our operating costs, we are using reserves to fund the operating deficit to enable us to make this transition, without reducing our charitable activities.

After several disrupted years, we were able to progress with planned strategic investment projects designed to increase our impact, increase our ability to grow future income and improve our operating efficiency. Our largest investments included:

- £2.7 million in addition to our usual level of face-to-face fundraising, to increase our income for the future.
- £0.9 million on expanding our Customer Relationship Management (CRM) system, to include both our supporters and the people who use our services.
- £0.5 million on expanding our eCommerce operations. We moved from a small operation to a fully equipped warehouse and distribution hub, significantly increasing our profit from this activity and establishing a base for future growth.

- £0.2 million on new tills for our shops, to improve efficiency, controls and customer service. We also invested £0.3 million on refurbishing several of our shops, including doing improvements to make sure they're fully accessible.
- £0.2 million on our first Scope Disability Equality Awards. This fantastic event celebrated the successes of individuals and organisations who are campaigning for equality and bringing about social change.

We have a further £0.7 million held in a designated reserve for strategic investment projects in the coming year.

## Income

In 2022/23, we raised a total of £44.1 million (£41.5 million in 2021/22, plus Covid related government grants of £2.7 million). This represents an increase in income (excluding the previous year's grants) of 6%.

Total income includes:

- £12.9 million from donated income including legacies (£12.8 million in 2021/22).
- £7.1 million from grants, fees and other income (£5.4 million in 2021/22).
- £23.3 million from trading activities, including our shops and online sales (£22.7 million in 2021/22).
- £0.8 million from our portfolio of investments (£0.6 million in 2021/22).
- £nil from Covid related grants available to organisations affected by the pandemic (£2.7 million in 2021/22).

## Expenditure

During the year, we spent £19.5 million (£14.1 million in 2021/22) on charitable activities supporting our mission for everyday equality, including our helpline, communities, employment and other programmes, as well as our research, influencing and campaigning work. Excluding our strategic spend on charitable activities of £1.2 million (£0.6 million in 2021/22), this represents a 35% increase on the previous year. The rest of our income goes towards running our organisation, operating our shops and generating funds.

Every pound we raise is extremely important to us and we carefully plan our use of resources to get the most impact. In 2022/23, for every £1 we spent, 69% was spent on our charitable activities to help disabled people and their families (66% in 2021/22). This increased compared to the previous year, as we continued to invest in our services, community projects, research, influencing and campaigning, as well as our colleagues. This percentage is likely to fluctuate over time, but we're committed to increasing it.

We invested £8.8 million (£1.5 million more than in 2021/22) to recruit and retain supporters. This investment will generate future income to fund an increase in our impact, through our influencing activities and the delivery of our services. In common with most

similar charities, our trading activities are not included in the calculation of the charitable spend percentage, as our shops operate like other retail businesses, raising net funds through selling merchandise.

£23.7 million including allocated support costs (£23.7 million in 2021/22) was spent on maintaining and operating our shops for the year, including investment in improvements to the efficiency, customer service and accessibility of our shops, to establish a base for future growth. This investment also helps us reach people in their community.

We're following a detailed performance plan to generate a net contribution to our charitable funds, which is expected to increase this year as our net income grows.

Our support costs increased by £0.8 million (11%), including salary increases. This was the result of some costs that we budgeted to increase again, as we reinvest in activities that had previously been put on hold. It includes investment in the People team for EDI, accessibility, reward and retention, as well as investment in continuing to improve our technology and the efficiency of our processes.

## **Net movement in funds**

Our net decrease in funds for the year of £8.9 million (increase of £0.1 million in 2021/22) is a result of:

- Managing our ongoing operations in the context of a year of high economic uncertainty, which generated an operating loss of £3.4 million (£2.7 million loss in 2021/22 offset by grants of £2.7 million).
- Investing £2.7 million in addition to our usual level of face-to-face fundraising, to increase our income for the future.
- Strategically investing £1.2 million (£0.6 million in 2021/22) in planned projects to improve our interactions with our supporters and the people who use our services, as well as expanding our online retail capability.
- Unrealised losses on investments of £1.6 million (gain of £0.7 million in 2021/22).

Alongside our planned investments, these operating costs were affected by inflation, including investing in our people. Despite inflationary cost increases, our full operating costs were kept in line with our budget. We're making progress with our plan to increase our income to cover all operating costs in the coming year.

## **Fundraising and Partnerships**

### **Income**

Scope's income from fundraising and partnerships is derived from legacies, donations from individuals, grants, fees, corporate partners and philanthropists, as well as income from community and events.

Overall, total fundraising and partnerships income increased by 10% compared to last year, across all categories.

Results from individual giving in 2022/23 exceeded expectations, enhanced by further investment in recruiting new supporters, as well as strong retention of our existing supporters. This will be vital in enabling us to continue our work.

As always, we're truly grateful to every single one of our supporters for their ongoing generosity, enabling us to work towards a society where all disabled people experience equality and fairness.

Our corporate partnership, philanthropy and grant income highlights of the year include:

- £1.5 million received and distributed in community grants from the Charities Aid Foundation.
- Continued partnership with Deloitte on a number of financial, pro bono and volunteering activities.
- Expansion of our Disability Energy Support service and Disability Utility Support service with funding contributions from British Gas, Energy Savings Trust and a number of private utilities companies. Last year 18% more people visited our helplines resulting in 38,000 disabled people saving almost £2 million on their energy bills.
- Co-creation of a new online learning platform service (Learn at Scope) with the HSBC Social Inclusion Fund.
- Working with ITV to create a campaign highlighting the impact of the cost of living crisis on disabled people, with the advertisements airing in May 2023.
- Launching Scope for Business, a website that supports businesses to be more accessible and inclusive for disabled people. We delivered 50 Workplace Disability sessions, while our Inclusion Programme reached over 1,400 people and supported multiple organisations.

## Retail

We continued to improve the quality of our retail portfolio in 2022/23, closing 10 of our less profitable shops, while refitting and refurbishing others. We're following a detailed performance plan for our shops, which is expected to increase in 2023/24 as our net income grows.

We're prioritising investment in new shop openings, with 6 planned in the coming year. And we intend to continue our refit programme. Our new shops and refits include new enhanced layouts and branding, to provide a fully accessible experience and to maximise sales.

In 2022/23, we also implemented our planned e-Commerce expansion, opening a dedicated warehouse and distribution hub as well as refreshing our product range. We invested £0.5 million on expanding our eCommerce operations, a key element in our income growth strategy.

And we continue to be supported by corporate donations from our amazing partners. Our retail corporate partners in 2022/23 included ASOS, Amazon, Boden, boohoo, DPD, Dune, LaundryRepublic and M&S.

## Reserves policy

Our reserves policy is set to make sure we have an appropriate level of financial cover to provide financial stability. We take a risk-based approach to determine the appropriate minimum level of unrestricted reserves for ongoing sustainability.

Scope holds three categories of reserves:

- Restricted fund reserves (£1.4 million). These can only be spent on activity specified by the funder. This is often a service or a project.
- Unrestricted funds:
  - Designated reserves. These are funds the Trustees have agreed to set aside for specific activity or to cover legal obligations. We hold two designated reserves, one for planned strategic investment (£0.7 million) and a pension reserve as part of an ongoing employer covenant for the defined benefit pension scheme (£6.5 million).
  - Undesignated reserves. This is the balance of reserves after excluding the above. This is broken down into three sub-sections:
    - Fixed asset reserve (£3.1 million). To cover the net book value of tangible and intangible assets.
    - Minimum retained free reserves (£18 million). This is the amount needed to cover operational costs should income fall and/or costs go up unexpectedly, to safeguard the financial stability of the charity. Estimated as 3-4 months of total expenses and a further 8-9 months of fixed costs.
    - Available free reserves (£5 million). This is the amount over and above minimum free reserves to spend or invest.

We review the appropriate level of our reserves annually, adjusting for changes in investment strategy, performance and external risk factors. Our new 10-year strategy will define how we'll use these reserves to benefit disabled people and their families.

## Going concern

The Trustees have considered the financial position of the charity including cash, reserves and investment values, as well as the impact of future trading forecasts on the activities and financial results of the charity. After reviewing this information and considering the risks and uncertainties, they concluded the charity is able to meet its liabilities as they fall due, for at least 12 months from the date of this report. It remains appropriate to prepare the financial statements on the going concern basis.

## Investment policy and performance

During the year to 31 March 2023 our investment objectives were to:

- Cover short-term financial risks, ensuring security and liquidity of funds held.
- Preserve the value of the funds held in real terms, to cover longer-term financial risks and funding for future development opportunities.
- Ensure low volatility in investment asset values.
- Provide certainty for our short to medium-term planning.
- Achieve a total return on investments greater than the UK Retail Price Index (measured over a rolling three-year period).

Royal London Asset Management (RLAM) was appointed as our investment manager to handle our investments in line with a mandate provided in May 2011 and amended in August 2019.

The Finance Committee intend to review the investment policy this year, considering the current economic environment and the charity's requirements going forward.

We've applied an ethical approach to our investments policy:

- Investments exclude companies with significant trading interests in armaments, tobacco, pornography, alcohol, gambling and animal testing (excluding medical research for the benefit of humans).
- We only invest in companies that Experts in Responsible Investment Solutions consider able to mitigate their environmental impact and exposure to regions that could represent a 'human rights risk'.
- The fund manager makes sure companies within our portfolio have appropriate policies regarding discrimination on the grounds of disability, age, religion, race, gender and sexual orientation.
- We hold no direct Russian-listed exposure and total indirect Russian exposure accounts for less than 0.1% of the total assets managed by our fund manager. They have controls in place to flag any trades in companies that generate a material proportion of their revenues from Russia, as well as using a cloud-based platform to check portfolio holdings, clients and third-party relations for compliance with national and international sanction and embargo directives.

The performance of the investment portfolio is formally assessed against the above criteria every year by the Finance Committee. Our investments were worth £30.6 million at 31 March 2023 (compared to £40.2 million at 31 March 2022). £1.6 million of the decrease arose due to unrealised valuation losses. The remainder represents use of funds for operational activities and planned strategic investments as described above.

The asset allocation at 31 March 2023 was 25% bonds, 32% equities and 43% cash and cash equivalents.

The portfolio includes a sub-fund created to provide security to the Scope Pension Scheme. The balance on this fund at 31 March 2023 was £6.5 million, all of which is secured for the Pension Scheme.

## Pensions

We operate the following pension schemes:

- A single employer defined benefit pension scheme. The ‘Scope Pension Scheme’, closed to further contributions on 30 June 2013.
- A defined contribution stakeholder pension plan, opened on 1 October 2003, when the above Scope Pension Scheme was closed to new members.

The year-end valuation of the Scope Pension Scheme shows a surplus of £2.6 million, based on Financial Reporting Standard (FRS) 102 assumptions (compared to a surplus of £11.4 million in 2021/22). The surplus decreased due to:

- Actual inflation being higher than previously assumed under FRS102.
- Reduction in the market value of assets, including the impact of losses on liability driven investments (LDIs) during the market volatility in September 2022.

Partially offset by:

- A material increase in the discount rate, reducing the value placed on the liability.

We haven’t included the pension scheme asset in the balance sheet. Under the Pension Trust Deed, we don’t have an unconditional right to any of the surplus. You can find out more in note 28 to the financial statements. The Scope Pension Scheme is now closed to new members and to future accrual.

## Review of Scope subsidiaries

During the year ended 31 March 2023, we had one active subsidiary:

- Scope Central Trading Limited

The activities of this subsidiary, its assets and liabilities are included in these financial statements on a line-by-line basis. Transactions between entities such as sales from one entity to another are taken out when consolidating the group accounts. Details of all our subsidiaries, including those which no longer trade, are given in notes 8 and 15.

The company’s main activities are buying and selling general merchandise, greeting cards, clothing and giftware in our retail and online shops.

The turnover for the year was £1.1 million (£1.2 million in 2021/22). Net operating profit before the Gift Aid payment to Scope was £0.5 million (£0.3 million in 2021/22).



## Promoting success

The Trustees, as company Directors of Scope, must act in accordance with a clearly defined set of duties which are enshrined in s172 of the Companies Act 2006. Namely “the directors of a company must act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so, the Directors must have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term.
- Interests of the company's employees.
- Need to foster the company's business relationships with suppliers, customers and others.
- Impact of the company's operations on the community and the environment.
- Desirability of the company maintaining a reputation for high standards of business conduct.
- Need to act fairly between members of the company.”

As part of their induction, Directors are briefed on these duties and they can access professional advice on these as needed, either from the Company Secretary or independently. Our Directors fulfil their duties partly through a clearly defined governance framework, delegating day-to-day operations to the Executive Leadership Team and Committees of the Board in line with the terms of reference.

The following sections further detail how Scope’s Directors exercise their duties.

## Our colleagues

Our people are at the heart of everything we do. Our culture is based on our values, within which our people can flourish. We work together in an environment that aims to support creativity, passion and growth. We have a presence throughout England and Wales, with people based around the UK. We’re a community of around 850 colleagues and over 4,000 volunteers, all working together with a shared vision of equality for disabled people.

In our 2022 Employee Engagement Survey (November 2022), 86% of colleagues shared their views about what it was like working at Scope. Colleagues enjoy working at Scope, are committed to our vision, understand our values, know what is expected of them, like and respect their colleagues, and feel their manager cares for them. Our focus on development saw the biggest improvements in our scores, especially around gaining skills and being encouraged to develop.

The three key areas we’re working on this year 2023 to 2024 are communications, systems and processes, and wellbeing.

What we’ve been doing over the last year:



- After the success of the 2022 Pioneering Leaders Programme for Retail, we invited another 21 retail colleagues to join us for a second year.
- 63 aspiring leaders and managers joined our Scope to Lead sessions in 2022.
- 18 colleagues started an apprenticeship in 2022, with 3 colleagues completing theirs with merits and distinctions.
- Our e-learning platform has been refreshed. It now looks and feels easier for our colleagues to navigate, improving the onboarding experience.
- We implemented new ways of working with retail, changing working patterns and trading hours.
- We've run a full year of individual colleague recognition awards, with 100 colleagues winning awards.
- We've run our inaugural Team awards, with 18 entries across Scope of teams doing great work together.

Our focus on Equality, Diversity and Inclusion (EDI) has seen us:

- Launch our new disability support leave policy.
- Hold eight EDI roundtables, with 800 attendees.
- Deliver our EDI induction training to over 150 new colleagues, and accessible documents training to 200 colleagues.
- Launch our new guide to diversity monitoring.
- Launch an anonymous reporting tool for colleagues.
- Awarded at first time of entry a Bronze Award by the Employers Network of Equality and Inclusion (ENEI).

## **Equality, Diversity and Inclusion (EDI) strategy**

Last year we co-produced and launched our first EDI strategy. Over the next three years, we'll be working towards the following 4 goals:

1. We'll have a more diverse team of colleagues and volunteers, with more marginalised people in leadership roles.
2. EDI will be everyone's responsibility and all leaders will take responsibility for inclusive decision making.
3. We'll have a culture where inclusive ways of working are the default.
4. Our work will better meet the needs of people who face multiple marginalisation.

So that:

- The decisions we make as a charity better meet the needs of all groups in society.
- Everyone has the knowledge and confidence to embed EDI in their work.
- All colleagues have an equally good experience at Scope.
- Scope's work has a positive impact on more disabled people.

Over the next year, we'll focus on the following actions in the EDI strategy:

- Monitoring diversity at all stages of the colleague lifecycle.
- Carrying out an inclusive recruitment improvement plan.
- Taking active steps to reduce our gender pay gap.
- Introducing mandatory EDI training.
- Upskilling senior leaders on inclusive leadership practices.
- Rolling out disability equality training to more colleagues.
- Rolling out equality impact assessments.
- Carrying out a review of our colleague networks.
- Undertaking research and insight work to better understand the way that disability inequality affects multiply marginalised groups.
- Starting to talk about intersectional inequalities in our policy and campaigns.
- Monitoring the diversity of our customers in services.
- Launching a new adjustments and access to work policy.

## **Our People data**

### **Disability**

Our colleagues are an increasingly diverse group of people. At March 2023, 19.5% of our colleagues reported through our HR system that they are disabled, have a health condition or impairment, an increase of 23% on the previous year.

The number of colleagues who identified as being disabled or having a health condition or impairment in our anonymous colleague survey in 2022 was 28%. Our volunteer survey reported 35.2% recognising themselves as disabled or having a health condition or impairment.

Although not mandatory, we report our disability pay gap, for 2022/23 this is -5%.

## Gender

We continue to make progress in reducing our gender pay gap, although there is clearly more we need to do in this area. Our mean pay gap reported for 2022/23 is 15.5% (compared to 16.2% in 2021/22).

## Ethnicity

Our organisation remains predominantly white British in ethnic makeup, with 81.5% of all our employees being white. Our Black, Asian and minority ethnic population is 13.1%, and our ethnicity pay gap is -4.9%. In our volunteer survey, 87% of respondents stated that they were white. Our Board of Trustees is leading the way in improving our ethnic diversity with a third from Black, Asian and minority ethnic backgrounds.

## Sexual orientation and gender identity

In April 2023, 10.3% of colleagues shared that they're LGBTQ+ on iTrent. This compares with 15% of colleagues who shared that they're LGBTQ+ in the 2022 colleague engagement survey. The percentage of colleagues who shared that they are trans on iTrent is 0.34%.

## How senior pay is set

We set the pay and reward for senior colleagues by:

- Evaluating the role against others in Scope from different job families, to make our pay structure consistent.
- Using market data from sector pay surveys and reports.

To make sure we're doing everything possible to achieve our mission, there's some flexibility on pay and reward so we can work with the best people. Our overall policy on pay and reward is agreed by the EDIP Committee and approved by the Board of Trustees. This includes recommendations from the Chief Executive on the Executive Leadership Team's pay. The Committee also recommends to the Board of Trustees the Chief Executive's pay.

In April 2023, executive pay was reviewed, and increases were awarded in line with sector benchmarking. Salaries paid during the year to our current Executive Leadership Team were:

Role	Gross salary for the year ended 31 March 2023	Employer pension contributions in 2022/23	Total financial reward
Chief Executive	£150,000	£0	£150,000
Executive Director of People	£99,057	£4,212	£103,269
Executive Director of Strategy, Impact and Social Change	£100,695	£1,321	£102,016
Executive Director of Retail and Communities	£143,500	£0	£143,500
Executive Director of Finance and Technology Services	£120,000	£2,770	£122,770
Executive Director of Services	£104,937	£6,296	£111,233
Executive Director of Partnerships	£93,417	£1,321	£94,738
Interim Executive Director of Fundraising (part-year)	£51,930	£550	£52,480

## Environmental impact

We continue to move ahead in considering and minimising the impact that we have on our world. As part of this work, we're sharing the measurements of our carbon footprint. We consider this across three main areas:

- Direct emissions from activities that we own or control, which release emissions into the atmosphere. Emissions are generated from natural gas and relate to vehicles that we own or lease.
- Indirect emissions released into the atmosphere associated with our consumption of purchased electricity.
- Other indirect emissions from our actions, including emissions related to business travel.

Total CO<sub>2</sub> emissions for the year were 957 tonnes (1,114.5 tonnes in 2021/22) of which: 64%, 614.3 tonnes, is from the use of purchased electricity (70% and 782.3 tonnes in 2020/21); 26%, 246.9 tonnes, company vehicles (20% and 218 tonnes in 2021/22); 1%, 13.1 tonnes, natural gas (2% and 21.8 tonnes in 2021/22) and 9%, 82.7 tonnes, other indirect emissions (8% and 92.4 tonnes in 2021/22). We offset 64% (68% in 2021/22) of these emissions through a green energy contract.

In 2019/20, we set a target to reduce our emissions of CO<sub>2</sub>e per unit of floor area (square meter) by 2% per annum. The intensity ratio of total emissions per square meter of retail floor area for 2022/23 was 0.037 (0.042 in 2021/22), a decrease of 12% compared to the previous year and a decrease of 22% compared to 2019/20. The main reason for this decrease is the closure of 10 of our shops.

Our target for 2023/24 is to reduce emissions by a further 2% compared to 2022/23.

# Principal risks and uncertainties

## Overview

During the past year, we continued to use our risk management framework. We also added a statement of risk appetite. The framework is embedded within all our departments. It sets out the roles and responsibilities for risk management at Scope and the approach to identify, manage, monitor and review risk, as well as communicating and learning from risk management activities.

The overall responsibility for the management and control of risk rests with the Board of Trustees. Elements of the risk management process are also delegated to the Audit and Risk Committee, Executive Leadership Team, the Leadership Team and other colleagues.

The Audit and Risk Committee oversees the corporate assurance framework, the external audit and the annual programme of internal audit. The Committee takes the lead role on risk management oversight, regularly reviewing our corporate risk register and making sure the risk management framework works, as well as feeding back recommendations to the Board.

Certain external environmental factors are outside our control, for example:

- Government policy and other changes that may affect the lives and experiences of disabled people.
- Changes in market conditions that can affect our net income, such as ongoing effects of the pandemic, general economic conditions and inflationary pressure on operating costs.
- The value of investments we hold that can go up or down, in line with general market trends.

The impact of these environmental factors is monitored quarterly at a minimum (and more actively, in times of significant impact). This will allow us to make a quick and agile response, mitigating impact and ensuring continuity.

We use a set of control systems within our corporate assurance framework, so everyone can feel confident we're running our organisation and services effectively. Our internal auditors also systematically review our key activities and systems, prioritising areas of strategic risks, as well as following up on areas for improvement identified in previous years. This year, our internal audit programme included a review of risk management. Our auditors reported an improvement in the strength of the internal control environment last year. No significant control issues that would have a material adverse impact on the delivery of Scope's strategy or financial position were identified, in the year ended 31 March 2023.

## Our corporate risks

Our principal corporate risks are outlined below, with management actions to mitigate either the likelihood of the risk occurring or its possible impact.

### Strategic and environmental risks

1. Failure to adapt quickly and strategically to external changes, making us less able to continue to make a meaningful difference to disabled people.
2. Failure to stay relevant to our beneficiaries' changing needs and deliver the desired outcomes in an accessible way, that achieves the greatest impact.

Mitigation for risk 1 and 2:

- Starting the development of a new 10-year strategy, fully co-produced by disabled people and informed by extensive literature reviews and over 20 individual pieces of extensive Scope research with disabled people.
  - Making routine reports and taking regular action on feedback from customers, when using our services or accessing our support.
  - Using our co-production model to embed the experiences and voices of disabled people in all our work.
  - Embedding an insight driven approach to our communications, our campaigning and our interactions with Scope supporters and customers.
  - Making sure our services and programmes are continuously monitored, with co-produced and in-depth evaluations.
  - Maintaining a strong 'critical' friend relationship with key Government departments.
  - Tracking a consistent set of outcomes across our services and campaigns using the same measures and indicators, and reporting on these regularly to the Board of Trustees.
  - Continually assessing new and existing activity, against our impact framework.
  - Making sure our KPIs and plans are linked directly to our new 10-year strategy to focus all our work on our 3 goals, with impact reported to the Board quarterly.
3. Failure to realise the potential of digital technologies and channels to connect with our audiences, weakening our impact, our engagement with audiences and our income generation, as well as reducing outcomes for disabled people.

Mitigation

- We have a specialist digital team in place to support colleagues, with expertise in product management, user experience, front-end development and accessibility. The team is led by our Executive Director of Digital and Marketing, who specialises in

emerging technology.

- We have external agency support that gives us access to a wider range of platform and development expertise than we have in-house.
  - We trial new digital opportunities and ways of working through standalone digital initiatives.
4. Failure to generate the required net income to deliver our objectives efficiently and effectively. The impact of inflation and high cost of living on future years and/or external economic conditions could prevent us from delivering plans to develop income opportunities in retail, fundraising and partnerships. This could be the result of a delay in recruitment of key team members, lack of focus, lack of investment, increasing costs or other reasons.

#### Mitigation

- We have a detailed business plan and budget, including strategic investment to grow and diversify income streams.
- We use our daily, weekly and monthly reports to monitor income, costs and leading indicators in detail, enabling us to take corrective action where needed.

### Operational risks

1. Safeguarding arrangements fail to promote wellbeing, protect beneficiaries, volunteers and colleagues from adverse incidents, or fail to enable effective handling and responses to current or historical allegations that may come to light, causing reputational damage.

#### Mitigation

- We prioritise the safeguarding of all people who interact with Scope in everything we do. Our safeguarding policy is clearly embedded in operational processes and led by a team of three people in specialist safeguarding roles.
- The Board of Trustees has responsibility for oversight of safeguarding activity and is committed to promoting the welfare and wellbeing of children and adults at risk. It also ensures the right level of protection and safeguarding response is in place for anyone who connects with Scope and that incidents and allegations are handled with speed, efficiency and rigour.
- An Independent Member with specialist safeguarding expertise and experience attends the Audit and Risk Committee and provides expert advice to the Board and Safeguarding Team to drive forward best practice. Safeguarding is on the agenda at every quarterly meeting of the Audit and Risk Committee.
- At Executive level, the Chief Executive has responsibility for safeguarding. Additionally, all leaders are responsible for setting the standard and behaving in a way that reflects our values, complies with our safeguarding policy and procedures, and protects customers, colleagues and members of the public.

- Scope has a cross-organisation Safeguarding Steering Group with designated safeguarding leads and an external expert that meets 4 times per year. The group supports and reviews the progress and implementation of Scope's safeguarding strategy and safeguarding plan. It also provides oversight of safeguarding reporting, policies, procedures and resourcing, as well as reporting to the Board. The group monitors concerns and extracts learning through the Retail Case Management Group.
  - There are three full-time equivalent safeguarding professionals who make sure safeguarding responses are appropriate and consistent, and that the individual's wishes and rights are upheld. The team reviews all concerns via a centralised reporting system.
  - They're also responsible for providing Scope colleagues and volunteers with an appropriate level of mandatory safeguarding training.
  - Alongside other serious incident reporting, we report serious safeguarding incidents to the Charity Commission and other relevant regulators, in line with our Reporting Serious Incidents Guidance.
2. The effective delivery of Scope's objectives and strategy is not supported by our governance and oversight arrangements, with misaligned governance structures, for example, or gaps in skills and inadequate management information. As a result, when Scope is not delivering desired outcomes or value for money, the issues cannot be identified and addressed.

#### Mitigation

- We conduct regular skills audits and carry out continuous succession planning, using specialist agencies and internal recruitment campaigns to help improve our reach and diversity.
  - Independent Committee Members fill specific skills gaps.
  - Trustees serve a maximum of two three-year terms. A robust induction process includes specific training and development as needed.
  - Trustees receive feedback and appraisal.
  - We self-monitor against the Charity Governance Code.
  - We have robust financial and internal audit processes, including reporting against an agreed suite of KPIs and corporate risk register.
  - We regularly communicate and have meetings with our Members.
3. Given the challenging labour market as a result of Brexit, the pandemic and the invasion of Ukraine, Scope does not attract and retain sufficiently skilled, experienced and diverse colleagues to deliver its ambitions, particularly from the retail, marketing and fundraising sectors.



### Mitigation

- We work with specialist recruitment agencies where appropriate and review applicant data to improve our attraction processes. We also plan to increase our use of co-production in this area.
  - Our development and training programmes for colleagues are in place and constantly reviewed, as a priority to enable career progression.
  - We've reviewed our adjustment processes, to positively support all colleagues to do their best work.
  - We'll use colleague inclusivity networks and engagement surveys, to help us identify areas for improvement.
4. Our technology may be vulnerable to attack and our Business Continuity Plan may not be responsive enough.

### Mitigation

- We have an information and data security management framework to cover our security culture, security processes and IT security tools.
- Our technology is constantly reassessed, reflecting the ever-changing environment. All colleagues receive information security and GDPR training. Other controls include strong password policies, firewall and secure back-up infrastructure, restricted access, multi-factor authentication, mobile device controls and patch and change management policies.
- Our Business Continuity Plan has been refreshed and aligned to make sure it's fit for purpose alongside our current strategy, structure and technology environment.

## Legal and regulatory risks

2. We fail to comply with relevant regulation or legislation, especially in relation to Disability legislation, Safeguarding, Health and Safety, General Data Protection Regulation (GDPR), Employment Company law and Fiscal regulations.

### Mitigation

- Our approach to safeguarding is noted in detail above.
- We make sure all new spaces and environments are completely accessible to disabled people and continue to review existing space, to maintain access requirements.
- We've adapted our services to the specific needs of those attending, by providing signed sessions, for example, and offering information in various accessible formats.
- We have clear guidance in place on our online community to make sure action can be taken to improve or remove inappropriate behaviours. We also take clear action where individuals fail to uphold acceptable standards of behaviour.

- We have specialist Disability legislation, Safeguarding, Data, and Health and Safety leads in place. We conduct regular horizon scanning against new legislation and seek independent advice where needed. We've improved our information security and data protection controls and we continue to work towards achieving Cyber Essentials status. We obtain professional advice on specific issues when appropriate.

## **Financial risk management**

During our day-to-day operations, we need to manage a variety of financial factors, such as credit and liquidity risks. We also need to manage the risk of the financial impact of any shortfall in net income compared to budget (see strategic risk 4). We use different control mechanisms to manage these.

## **Safeguarding of assets**

Credit risk relates to the risk that another party fails to honour its financial obligations to us and, consequently, we suffer a monetary loss.

The value of our investment assets is exposed to the risk from volatility in global markets. Our investments of £30.6 million are managed by RLAM, an A-credit-rated organisation. RLAM's investment performance and credit rating are overseen by our Finance Committee. Our main cash balances of £0.3 million are held in accounts managed by the NatWest Group. Smaller cash management arrangements are also held with other UK-based clearing banks. The credit rating of all these banks is considered when reviewing credit risk. We don't engage in any transactions involving derivatives or working capital.

Liquidity risk is being unable to raise enough cash to meet our obligations when they fall due. We manage our liquidity risk by making sure we manage our cash flow effectively, tracking working capital and net current assets. We keep sufficient cash balances to cover our predicted obligations.

Fraud is an inherent risk to all organisations and the risk of cyber fraud in the environment is increasing. We have controls in place to prevent and detect internal and external fraud as far as possible. During the last year, we have also strengthened our cyber security environment further.

# **Our structure, governance and management**

## **How Scope is constituted**

Scope is led by our Board of Trustees, who serve as Directors under company law.

The Standing Orders of the Board of Scope set out the regulations for the conduct of the Board of Trustees and its Committees. The Memorandum and Articles of Association is the governing and prevailing document of the charity. In the case of any conflict between the provisions of the Standing Orders and the Articles of Association, the latter will prevail.

Scope is a registered charity (Charity Commission number 208231) and a private company limited by guarantee without share capital (Companies House number 520866). It operates throughout England and Wales and it was incorporated on 20 June 1953.

Scope and all its subsidiaries are registered at: Scope, 2nd Floor, Here East Press Centre, 14 East Bay Lane, London, England, E15 2GW.

## **Methods used to recruit and appoint new charity Trustees**

The key constitutional provisions for appointment are Articles 32 to 36, as follows:

32. The number of Trustees shall not be less than 7 nor more than 10 (which shall include the Chair).

33. Apart from the Chair of the Board, who shall be appointed in accordance with Article 34, Trustees shall be elected by the Members at the Annual General Meeting, from people nominated for election by a Committee. That Committee is established by the Board, with delegated authority to make such nominations.

34. The Chair of the Board shall be appointed by the Board at its first meeting following the Annual General Meeting in each year, after being nominated by a Committee. That Committee is established by the Board, with delegated authority to make such nominations. The Board may refuse any person so nominated, in which case that Committee shall nominate another individual to act as Chair. When they're appointed, the Chair shall (if they are not already a Trustee) automatically become a Trustee.

35. The Board shall have power to co-opt any person to be a Trustee, but the total number of Trustees shall not exceed the number determined under Article 32. Any person so co-opted shall only serve in office until the next Annual General Meeting. Then they may be re-appointed by the Members, if they've been nominated for election in accordance with Article 33.

36. When they're appointed as a Trustee, a person shall automatically become a Member and they shall sign the Register accordingly.

## **Nominations and Governance Committee**

The Nominations and Governance Committee makes sure people who join the Board and its committees have the right skills, experience, values, and expertise to govern to the high standards demanded by our beneficiaries, customers, partners and supporters. The Committee oversees the search for, and recruitment of, Trustees and Independent Committee Members. The Nominations and Governance Committee is a standing committee and reports to the Board.

The formation of the Committee was approved by the Board in February 2023 to absorb the duties of the previously titled 'Nominations Panel' and extend its responsibilities to include governance.

The Committee has delegated authority to make nominations for the election of the Chair, Trustees and Independent Committee Members.

Once a Trustee is elected by the Members, they can serve a three-year term. They can then serve a maximum of a further three years if they and the Members agree.

Our Trustees volunteer their time and do not receive any rewards or benefits. Any expenses reclaimed by Trustees are in our financial statements.

## **Recruitment of Trustees and Independent Committee Members**

We recognise the value of a diverse Board and Committees, composed of people with the relevant blend of skills, experience and characteristics. To achieve this, we engage the services of recruitment consultants specialising in diverse Boards. We also use specialist advertising platforms and harness the power of our networks.

By using wider and more inclusive methods of searching for new Trustees and Committee Members, we can access a wider pool of applicants from a broad range of different social, economic and ethnic backgrounds. This leads to a greater diversity of perspectives.

Recruitment proposals consider the skills of the Trustees and Independent Committee Members, while seeking to address any gaps in existing skills, experience and diversity. Appointments are made subject to receipt of satisfactory references. Trustees are asked to sign an automatic disqualification declaration and both Trustees and Independent Committee Members will be required to complete declarations of interest forms and undergo enhanced Disclosure and Barring Service checks.

## **How we make decisions**

Article 39 of our Memorandum and Articles of Association says the Board “may make rules with respect to the carrying into effect of all or any of the purposes of the Company or all or any of the provisions of these Articles”.

The Board uses different governing documents to help it make the rules, including the following:

- The Standing Orders of the Board of Scope set out the regulations for the Board of

Trustees, its committees and people working for and with us. It shows how the Board can delegate authority to individuals, the Executive, Committees and working groups.

- The Scheme of Delegation sets out which powers are delegated to colleagues through the Chief Executive, and which stay with the Board. The Scheme is a tool for decision making and giving guidance to colleagues, so decisions are made by the right person or group to make sure the charity operates most efficiently and effectively.

The Chief Executive is responsible for the operational management of Scope, regularly reporting important issues and updates to the Board of Trustees.

## **Induction and training of Trustees**

The Standing Orders set out the policy on how to train Trustees, analyse their skills and evaluate the Board. This includes conducting appraisals and induction training, as well as identifying ongoing training needs.

We provide all Trustees with a full induction once they start. The induction includes a detailed briefing on the legal roles of Trustees and Directors, as well as our history, structure, mission and purpose. We support our Trustees throughout their terms in office to make them feel welcomed, as well as helping them fulfil their roles and deliver impact.

As part of the role, Trustees usually visit our shops and services. They get time to meet colleagues and volunteers, gaining first-hand experience of what we do and how we do it.

New Trustees will have an informal one-to-one meeting with the Chair, or Deputy Chair of the Board six months after being appointed. This will be an opportunity to encourage further contribution and identify any additional support needed to fulfil their roles.

## **The Board of Trustees and its Committees**

Charities exist to fulfil their charitable purposes. Scope is governed by our Board of Trustees, who have a responsibility to understand the environment in which Scope operates and lead us in fulfilling our purposes as effectively as possible, with the resources available. The Board's core role is to focus on strategy, performance and assurance.

As well as the main Board, 5 standing Committees report on specific issues:

- Audit and Risk
- Finance
- Equality, Diversity, Inclusion and People (EDIP)
- External Audiences
- Nominations and Governance

Each Committee has agreed terms of reference. Membership of all Committees includes both members of the Board of Trustees and Independent Committee Members.

Independent Committee Members play an important governance role. Their contribution

helps make sure advice and assurance through the Committee structure is informed by the relevant expertise and experience. The role is also designed to provide Independent Committee Members with the opportunity to develop leadership skills, so they can be considered for a Trustee role in the future.

Our Committee Members undergo the same comprehensive induction as our Trustees. They're given the same level of support to help them fulfil their role and feel welcomed.

The Chair of each Committee reports to the Board of Trustees at every Board meeting, presenting the most important activities they've undertaken and decisions they've made. The Committees also give the Board their support and advice in their specific areas of expertise, making sure the Board is fully equipped with knowledge, expertise and experience, whatever the subject.

The Audit and Risk Committee oversees the corporate assurance framework, internal and external auditing and risk management. The Finance Committee makes sure we use our financial resources and assets appropriately and reviews Scope's financial position.

The EDIP Committee oversees, reviews and connects all policy and strategic matters relating to Equality, Diversity and Inclusion (EDI) and People issues across the organisation, so Scope can become an exemplar of social change.

The External Audiences Committee oversees how well our services, fundraising, campaigning, influencing, retail, community activities, and partnerships are engaging with and meeting the needs of our external audiences.

The Nominations and Governance Committee makes sure the Board and Committees have the right skills to govern Scope, as well as overseeing the diversity of the Board. It also assists the Board in overseeing the quality of governance and supports it to maintain alignment with legal and regulatory requirements, in regard to charity law and Charity Commission guidance.

## **Scope Assembly**

The Scope Assembly is elected by the Membership to take Members' views to Trustees and the Executive Leadership Team. The Assembly gives Members the opportunity to hear news and updates, as well as giving feedback on decisions and initiatives.

Last year, we set out plans to grow our membership, as well as engaging Members and attracting young Members to help shape our future plans. As a result, our membership increased overall from 577 in 2022 to 1,040 Members in 2023. We recruited 200 young Members (18 to 25 year olds), who now represent 17% of our membership, compared to 3% previously.

## Our governance

We understand the importance of being accountable and transparent about our internal approach and governance processes. We're committed to establishing and embedding best practice governance throughout Scope.

The Nominations and Governance Committee will monitor delivery against the governance workplan and oversee the next skills and diversity audit, as well as a full Board performance review undertaken by an external consultant.

There are clear processes in place around annual and longer-term planning, supported by the Finance Committee, investment review panel held by the Executive Leadership Team and the scheme of delegation.

The Executive Leadership Team monitors key supplier and contractual relationships, to ensure the effective management of both value for money and risks. Scope's key supplier relationships are with our fundraising partners, technology service providers, property landlords, utility providers and waste collectors.

## Fundraising governance

We fundraise to deliver everyday equality for disabled people. We do this by providing direct services and by campaigning to change society. Our supporters volunteer their time, donate money, fundraise on our behalf, take part in events, campaign, raise awareness and give us their expertise, to make us even more effective.

Support from corporate partnerships, charitable trusts and high net worth individuals funds our innovative and evidence-based services. Financial investment and pro-bono support mean that we can increase our reach, amplify our voice and make even more of an impact on the lives of disabled people.

We have the highest standards of professional fundraising and we encourage our colleagues to join the Chartered Institute of Fundraising's training courses and specialist interest groups. We subscribe to the Fundraising Regulator to make sure we're respectful, open, honest and accountable in line with our organisational values. We're open about how we raise and use public donations, and we're transparent about the impact of these donations on the lives of disabled people and their families.

We take great care in choosing third party suppliers, making sure our contracts specify they follow fundraising best practice and closely monitoring how they fundraise on our behalf. We mystery shop and shadow our agencies very regularly, so we're confident they're displaying the standards we expect of them.

We work hard to give our supporters the best possible experience of Scope. But we understand things can go wrong and we take all concerns and complaints seriously. We provide a complaints procedure through our website.

The number of complaints received in relation to fundraising activities in 2022/23 was 691 complaints (226 in 2021/22). All complaints were resolved satisfactorily through our internal



processes, and none were escalated to the Fundraising Regulator. The increase in complaints can be attributed to two campaigns run by two third-party agencies working on behalf of Scope. We've terminated our partnerships with these agencies.

Our fundraising compliance and procedures are a priority. We're reviewing and updating fundraising procedures in line with the Code of Practice and the requirements of Scope's Gambling Commission license. By 2024/25, we plan to undertake a full CC20 review for our Trustees.

## **Directors' and Trustees' indemnity**

During last year, we had in place an indemnity insurance policy in favour of our Directors and Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This third-party indemnity provision remains in force as at the date of approving the Trustees' report.

## **Our Directors and Trustees**

The Trustees in office during the year and up to the date of signing the financial statements are:

- Alexander Massey (resigned 23 November 2022)
- Donna Glover (resigned 23 November 2022)
- Joanne Hall
- Katie Stevens (appointed 31 October 2022)
- Mark Johnstone, Deputy Chair and Hon. Treasurer
- Matthew Johnston
- Mina Jesa (appointed 31 October 2022)
- Reece Jackson (appointed 5 April 2023)
- Sir Robin Millar CBE, Chair
- Simon Godfrey
- Tariq Khan
- Zeinab Chaudhary

## **Chief Executive**

Mark Hodgkinson



## **Legal and administrative details**

### **Independent auditors**

Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP

### **Solicitors**

Anthony Collins Solicitors, 76 King Street, Manchester, M2 4NH

### **Bankers**

National Westminster Bank plc, City of London Office, Corporate Business Centre, PO Box 12263, 1 Princes Street, London, EC2R 8PH

### **Investment advisers**

Royal London Asset Management, 55 Gracechurch Street, London, EC3V 0RL

### **Company secretary**

Angela Archbold

### **Registered office**

Scope and all subsidiaries are registered at Here East Press Centre, 14 East Bay Lane, London, E15 2GW

# Statement of Trustees' responsibilities

The Trustees (who are also Directors of Scope for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Trustees to prepare financial statements for each financial year. Under that same Law, the Board of Trustees has prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable Law (United Kingdom Generally Accepted Accounting Practice).

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group, and the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2019' ('Charities SORP').
- Make judgements and estimates that are reasonable and prudent.
- State whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has 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 charitable company will continue in business.

The Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and enable them to make sure that the financial statements comply with the Companies Act 2006.

They're also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Board of Trustees is aware:

- There's no relevant audit information of which the company's auditors are unaware.
- They've taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and establish the company's auditors are aware of that information.

The Board of Trustees is responsible for the maintenance and integrity of the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may be different from legislation in other jurisdictions.

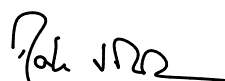
The Trustees' report and Strategic report were signed on behalf of the Trustees by:



Sir Robin Millar CBE

Trustee

Date: 26 July 2023



Mark Johnstone

Trustee

# Independent Auditor's report to the Members of Scope

## Opinion

We have audited the financial statements of Scope ('the parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' annual report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Trustees' remuneration specified by law are not made; 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 set out on pages 41-42, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Explanation as to what extent the audit was considered 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 objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act

2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

Andrew Stickland (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street

London, EC2A 2AP

Date: 27 July 2023



# Group statement of financial activities

(Incorporating an income and expenditure account)

For the year ended 31 March 2023

		Unrestricted funds 2023	Restricted funds 2023	Total funds 2023	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	Note	£000	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>							
Donations and legacies	3	12,021	833	12,854	11,651	1,138	12,789
Other trading activities	4	23,286	–	23,286	25,383	–	25,383
Investments	5	825	–	825	596	–	596
Charitable activities:							
Fees		760	300	1,060	790	–	790
Grants	6	14	2,472	2,486	167	1,562	1,729
Other income	7	3,546	–	3,546	2,878	–	2,878
<b>Total income and endowments</b>		<b>40,452</b>	<b>3,605</b>	<b>44,057</b>	<b>41,465</b>	<b>2,700</b>	<b>44,165</b>
<b>Expenditure on:</b>							
Raising funds	9	32,527	–	32,527	31,023	–	31,023
Charitable activities:							
Community engagement	9	1,531	2,103	3,634	956	434	1,390
Employment services	9	1,549	1,305	2,854	1,407	1,269	2,676
Family services	9	2,127	218	2,345	1,780	226	2,006
Information and advice	9	2,749	–	2,749	2,391	–	2,391
Influencing and campaigning	9	6,563	–	6,563	4,915	–	4,915
Strategic spend	9	1,174	–	1,174	581	–	581
Governance	9	139	–	139	136	–	136
<b>Total expenditure</b>	<b>9</b>	<b>48,359</b>	<b>3,626</b>	<b>51,985</b>	<b>43,189</b>	<b>1,929</b>	<b>45,118</b>
Net (losses)/gains on investments	14	(1,558)	–	(1,558)	704	–	704
<b>Net income/(expenditure)</b>		<b>(9,465)</b>	<b>(21)</b>	<b>(9,486)</b>	<b>(1,020)</b>	<b>771</b>	<b>(249)</b>
Transfers between funds	20	86	(86)	–	488	(488)	–
Actuarial gain on defined benefit pension schemes	28	582	–	582	349	–	349
<b>Net movement in funds</b>		<b>(8,797)</b>	<b>(107)</b>	<b>(8,904)</b>	<b>(183)</b>	<b>283</b>	<b>100</b>
<b>Fund balances brought forward at 1 April</b>		<b>42,099</b>	<b>1,512</b>	<b>43,611</b>	<b>42,282</b>	<b>1,229</b>	<b>43,511</b>
<b>Fund balances carried forward at 31 March</b>		<b>33,302</b>	<b>1,405</b>	<b>34,707</b>	<b>42,099</b>	<b>1,512</b>	<b>43,611</b>

There were no gains or losses during the year other than those included in the statement of financial activities.

# Group and parent charitable company balance sheets

As at 31 March 2023

		Group	Group	Charity	Charity
		2023	2022	2023	2022
	Note	£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	12	857	365	857	365
Tangible assets	13	2,289	1,795	2,289	1,795
Investments	14	30,570	40,185	30,570	40,185
<b>Total fixed assets</b>		<b>33,716</b>	<b>42,345</b>	<b>33,716</b>	<b>42,345</b>
<b>Current assets</b>					
Stocks		381	177	—	—
Debtors	16	6,814	6,327	6,800	6,362
Cash at bank and in hand		290	1,553	176	1,497
<b>Total current assets</b>		<b>7,485</b>	<b>8,057</b>	<b>6,976</b>	<b>7,859</b>
Creditors: amounts falling due within one year	17	(3,588)	(3,630)	(3,577)	(3,735)
<b>Net current assets</b>		<b>3,897</b>	<b>4,427</b>	<b>3,399</b>	<b>4,124</b>
<b>Total assets less current liabilities</b>		<b>37,613</b>	<b>46,772</b>	<b>37,115</b>	<b>46,469</b>
Provision for liabilities and charges	19	(2,906)	(3,161)	(2,906)	(3,161)
<b>Net assets</b>		<b>34,707</b>	<b>43,611</b>	<b>34,209</b>	<b>43,308</b>
<b>Funds</b>					
Restricted funds	20	1,405	1,512	1,405	1,512
Unrestricted funds	20	26,102	33,099	25,604	32,796
Designated funds, strategic investment	20	700	2,500	700	2,500
Designated funds, pension	20	6,500	6,500	6,500	6,500
<b>Total funds</b>		<b>34,707</b>	<b>43,611</b>	<b>34,209</b>	<b>43,308</b>

We have a defined benefit pension scheme which is closed and in surplus. See note 28 for details.

As permitted by section 408 of the Companies Act 2006, and FRS 102, no separate statement of financial activities is presented in respect of the parent charity.

The notes on pages 51 to 74 form part of these financial statements.

The financial statements on pages 48 to 74 were approved by the Board of Trustees on 26 July 2023 and signed on its behalf by:

*Robin Millar*

*Mark Johnstone*

Sir Robin Millar CBE  
Trustee

Mark Johnstone  
Trustee

Company number: 520866

# Group cash flow statement

For the year ended 31 March 2023

	Group 2023 £000	Group 2022 £000
<b>Cash flows from operating activities:</b>		
Net cash used in operating activities	(8,487)	(409)
<b>Cash flows from investing activities:</b>		
Investment income received	825	596
Purchase of tangible and intangible fixed assets	(1,658)	(820)
Purchase of fixed asset investments	–	(1,350)
Sale of fixed asset investments	8,057	1,900
Net cash from investing activities	7,224	326
<b>Change in cash and cash equivalents</b>	<b>(1,263)</b>	<b>(83)</b>
Cash brought forward at 1 April	1,553	1,636
<b>Cash carried forward at 31 March</b>	<b>290</b>	<b>1,553</b>

## Note to group cash flow statement

Reconciliation of net movement in funds to net cash flow from operating activities.

	Group 2023 £000	Group 2022 £000
Net movement in funds for the reporting period	(8,904)	100
<b>Adjustments for:</b>		
Net losses/(gains) on investments	1,558	(704)
Investment income received	(825)	(596)
Depreciation and amortisation charges	638	575
Loss on sale of tangible fixed assets	34	–
(Increase)/decrease in stock	(204)	336
(Increase)/decrease in debtors	(487)	1,143
Decrease in creditors	(42)	(1,547)
(Decrease)/increase in provisions for liabilities and charges	(255)	284
<b>Net cash used in operating activities</b>	<b>(8,487)</b>	<b>(409)</b>

# Notes to the financial statements

## 1. Accounting policies

### Basis of preparation

The financial statements are prepared in accordance with:

- The Charities Act 2011.
- The 'Accounting and Reporting by Charities: Statement of Recommended Practice 2019' ('Charities SORP').
- Applicable accounting and reporting standards in the United Kingdom. Including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102').
- The Companies Act 2006.

The accounting policies adopted by the Board of Trustees are applied consistently year on year across the Group and are described below.

The financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of investments.

The Trustees have considered the financial position of the charity including cash, reserves and investment levels, as well as future trading forecasts, in particular the ongoing impact of cost inflation, on the activities and financial results of the charity. After reviewing this information and considering the risks and uncertainties, they concluded the charity is able to meet its liabilities as they fall due for at least 12 months from the date of this report. It remains appropriate to prepare the financial statements on the going concern basis.

The charity has taken advantage of the exemption from preparing a cash flow statement under FRS 102. The cash flows of the charity are included in the consolidated financial statements. The charity is a public benefit entity.

### Basis of consolidation

The consolidated financial statements of the group incorporate the financial statements of Scope and its subsidiary undertakings on a line-by-line basis. The charity's total incoming resources were £43.1 million (£43 million in 2021/22). The charity's net movement in funds include:

- Pension scheme actuarial gains of £582,000 (compared to £349,000 in 2021/22).
- Investment losses of £1,558,000 (compared to gains of £704,000 in 2021/22).

There were no other recognised gains or losses attributable to the charity.

As allowed by section 408 of the Companies Act 2006, and FRS 102, no statement of financial activities is presented in respect of the parent charity.

## **Incoming resources**

We recognise all income in the statement of financial activities when:

- The conditions for receipt have been met (that is, there is entitlement to the funds).
- It is at least probable that the funds will be received.
- The funds can be reliably measured.

The following accounting policies are applied to income:

## **Donations including events and individual giving**

As a public benefit entity, Scope receives various donations as non-exchange transactions.

We include general donations and donations from fundraising events in income on receipt. Gift Aid to which Scope is entitled, but is not yet received at the year end, is included in incoming resources and shown as a debtor in the balance sheet.

We recognise other income from fundraising events on delivery of the event.

## **Individual giving, face to face fundraising**

We recognise regular donations from individuals on receipt. Income is recognised gross. We record any fees charged for fundraising, including by a third party, as a fundraising expense.

## **Legacies**

We recognise legacy income when we can reliably measure the amount receivable and it's probable we'll receive it. Receipt is typically probable when:

- There has been grant of probate.
- The executors have established that there are sufficient assets in the estate to pay the legacy. After settling any liabilities.
- Any conditions attached to the legacy are either within our control or have been met.

When the legacy amount due to Scope is uncertain, we disclose the legacy as a contingent asset. For example, if the interest of the charity in a pecuniary or residuary legacy cannot be measured reliably.

## **Restricted donations including corporate donations**

Donations are restricted when donors apply specific conditions on how we can use the funds. We recognise restricted donations when the conditions for entitlement are within our control or have been met.

## **Donations in kind**

Donations in kind (including pro-bono work) are recognised at their value to Scope when received. We include an equal amount in the appropriate category of expenditure.

The financial statements don't include volunteer time as this cannot be reliably estimated.

## **Retail income**

We recognise retail income, including sales of donated goods in our shops, when the sale takes place. We accrue estimated associated Gift Aid at the point of sale. Once we have consent, we recognise the income claimed from HM Revenue & Customs and reverse the accrual.

## **Bought-in goods income**

We recognise bought-in goods income at the point of sale.

## **Investment income**

We recognise investment income when receivable.

## **Fees for services**

We recognise fees once we've provided the services. We defer income received in advance until we provide the service.

## **Grants receivable including Government grants**

We recognise grants when the conditions for entitlement are met. Evidence of entitlement typically exists when we receive the formal offer of funding. Where terms or conditions must be met before we have entitlement to the resources, the income is deferred and included in creditors.

Grant funding agreements may contain performance conditions. For example, payments are linked to the achievement of a particular level of service or units of output delivered. In these circumstances, we recognise income when the performance-related conditions are within our control and there is evidence that they've been or will be met.

Conditions may specify the period over which the expenditure of resources can take place. This may limit our ability to spend the grant until we perform the activity related to the specified period. In these circumstances, we recognise income over the time period specified.

## **Sales from other charitable activities**

Sales income comprises income for rent receivable, sponsorship and other incoming resources from charitable activities. We recognise sales and ancillary income on the date of sale. We recognise rent receivable over the rental period.

## **Profit and loss on sale of asset**

The net book value of the asset being disposed is allocated to the associated receipt. If the receipt is more than the net book value, we recognise the profit as income. If the net book value is more than the receipt, we recognise the loss as reduced income.

## **Intellectual property licencing**

Royalties are payments made by one company (the licensee) to Scope (the licensor) in exchange for the right to use intellectual property or physical assets owned by Scope.

We recognise royalty income on the date of the related sale.

## **Resources expended**

All resources expended have been accounted for on an accruals basis. Irrecoverable VAT is included with the expense item to which it relates.

## **Charitable expenditure**

This includes all expenditure directly related to the delivery of our mission.

## **Support costs**

Our support costs include the costs of colleagues, rent and other operational costs. All costs are allocated between the costs of raising income, activities in furtherance of the charity's objects and other costs. Most costs incurred by Scope are directly attributable to individual activities. Where costs are not directly attributable to particular activities, they are apportioned on an appropriate basis (note 9).

## **Grants payable**

Grants payable are recognised in the statement of financial activities when the conditions within Scope's control for disbursement have been met. Grants paid before the conditions have been met are deferred and included in debtors at year end.

## Intangible fixed assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation. Amortisation is charged evenly over the estimated useful lives of the assets at the following rates:

- Software development, 25% or 33.3%

## Tangible fixed assets

Freehold properties and other tangible assets are stated in the balance sheet at cost or the fair value at the date of receipt (if donated) less accumulated depreciation. Depreciation is charged evenly over the estimated useful lives of the assets at the following rates:

- Freehold land, no depreciation
- Freehold property, 2%
- Leasehold property and improvements to leasehold property, 2% or over the term of the lease if less than 50 years
- Improvements to property, 6.66%
- Motor vehicles, 20%
- Fixtures and equipment, 20%
- Computer equipment and software, 25% or 33.33%
- Gains or losses from the disposal of tangible fixed assets are recognised in other income.

## Asset impairment

At each reporting date, fixed assets are reviewed to assess whether they have suffered impairment. The recoverable amount of any affected asset is estimated and compared with its carrying amount.

If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of financial activities.

## Funds

Scope maintains various funds as follows:

### Restricted funds

Restricted funds are the unspent balances on grants, donations and legacies received from donors who stipulated they be used for specific purposes.



## Unrestricted funds

Funds that can be spent at the discretion of the Board of Trustees to help fulfil our objectives. Such funds may be held to finance working capital and strategic investment.

## Designated funds

Funds that have been set aside at the discretion of the Board of Trustees for specific purposes. They would otherwise form part of the general unrestricted funds.

## Financial assets and liabilities

Investments are stated at fair value. Net gains and losses that have resulted from both changes in holdings and in their fair value are shown in the appropriate section of the statement of financial activities.

Debtors and creditors treated as financial assets and liabilities (notes 16 to 19) are measured at transaction price, less any impairment. Cash balances are stated at present value.

## Leases

Assets held under finance leases are capitalised at their fair value at the start of their term. They are depreciated over their useful lives or lease term if shorter. The finance charges are allocated over the periods of the leases in proportion to the outstanding capital amount. Operating lease costs are charged directly in the period to which they relate.

## Stocks

Stocks are stated at the lower of cost and net realisable value. They are valued using the weighted-average method. Stock is reviewed regularly throughout the year with a provision made for stock that is unlikely to be sold. Stocks of unsold donated goods are not valued for balance sheet purposes, since their cost is nil, and their value is uncertain until sold.

## Pension costs

The statement of financial activities includes:

- The cost of benefits accruing during the year in respect of current and past service (charged against net outgoing resources).
- The expected return on the pension scheme's assets and the increase in the present value of the scheme's liabilities, shown as pensions finance charge.
- Actuarial gain recognised in the pension scheme (shown within net movement of funds).
- In accordance with FRS 102, the scheme value is calculated taking assets at their year-end fair values and liabilities at their actuarially calculated values discounted at year-end AA-rated corporate bond interest rates. The scheme surplus is disclosed as nil value in

accordance with the FRS 102 balance sheet limitation. Further details regarding all pension schemes are disclosed in note 28.

We participate in a defined contribution scheme. Contributions to the scheme are recognised in the period in which they become payable.

Pension costs other than finance charges and actuarial gains or losses, disclosed in note 28, are allocated to expenditure by charitable activity, in line with other salary costs.

## **Irrecoverable Value Added Tax (VAT)**

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

## **2. Critical accounting judgements and estimation**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Provision is made for retirement obligations, stock obsolescence, doubtful debts and dilapidations on leased properties. These provisions require management's best estimate of the costs that will be incurred, based on legislative and contractual requirements.

Management considers whether fixed assets are impaired. Where an indication of impairment is identified, the recoverable value of those assets requires the estimation of the future cash contribution that can be realised from those assets.

### **Contingent assets**

Legacy income for which confirmation of the amount has not been received as at the balance sheet date has not been included in the incoming resources. The value of these legacies is estimated as £1,061,000 (compared to £1,692,000 in 2021/22).

### **Contingent liabilities**

An enquiry has been received about historical policies and procedures in connection with employment legislation. The charity believes that it complies with the legislation, has submitted a full response to initial enquiries and will provide further information requested. However, while the enquiry progresses there is a possibility that a liability may arise. At this stage it is impracticable to give any indication of the amount or timing of any possible outflow.

### 3. Donations and legacies

	Group 2023 £000	Group 2022 £000
<b>Donations and gifts:</b>		
Retail	278	228
Individual giving	7,657	7,052
Events fundraising	420	301
Philanthropy and corporate partnerships	547	1,346
Trusts	162	193
Donations in kind*	129	178
	<b>9,193</b>	<b>9,298</b>
<b>Legacies</b>	<b>3,661</b>	<b>3,491</b>
	<b>12,854</b>	<b>12,789</b>

\*Donations in kind are for professional services, advice and assets received by Scope supporting charitable and strategic activities.

### 4. Other trading activities

	Group 2023 £000	Group 2022 £000
Gift Aid	1,267	1,131
Sale of donated and bought-in goods	21,813	21,295
Raffles in shops	145	146
Other income	61	118
Government grants (Job retention scheme and shop closures)	—	2,693
	<b>23,286</b>	<b>25,383</b>

### 5. Income from investments

	Group 2023 £000	Group 2022 £000
<b>Income from listed investments</b>	<b>825</b>	<b>596</b>

## 6. Grants receivable (excluding job retention scheme and shop closures)

	Unrestricted funds £000	Restricted funds £000	2023 total £000	2022 total £000
<b>Government grants:</b>				
Department for Work and Pensions	–	–	–	153
Working on Wellbeing	–	662	662	660
<b>Total Government grants</b>	–	662	662	813
<b>Local authority grants:</b>				
Leeds Activities	–	–	–	(89)
<b>Total local authority grants</b>	–	–	–	(89)
<b>Other grants:</b>				
Fidelity	–	–	–	400
People's Health Trust, Local People's Programme	–	–	–	211
Energy Saving Trust	–	117	117	246
Charities Aid Foundation	–	1,500	1,500	–
Other grants < £50,000	14	193	207	148
<b>Total other grants</b>	14	1,810	1,824	1,005
<b>Total grants receivable</b>	14	2,472	2,486	1,729

As at the balance sheet date, there were no unfulfilled conditions for any of the Government grants detailed above. Grants received in relation to the job retention scheme and shop closures in 2021/22 are presented to note 4.

## 7. Other income

	Group 2023 £000	Group 2022 £000
Lottery, raffles and other income	3,580	2,878
Loss on sale of tangible fixed assets	(34)	–
	<b>3,546</b>	<b>2,878</b>

## 8. Subsidiaries' income and costs

The income and costs of Scope Central Trading Limited:

	2023 total £000	2022 total £000
<b>Turnover</b>	<b>1,061</b>	<b>1,182</b>
Cost of sales	(563)	(874)
<b>Gross profit</b>	<b>498</b>	<b>308</b>
Administration and other costs	—	(4)
Other operating income	—	—
<b>Operating profit/(loss)</b>	<b>498</b>	<b>304</b>
Taxation	—	—
<b>Net income</b>	<b>498</b>	<b>304</b>

Income and expenditure reported by the subsidiaries has been incorporated into the appropriate sections in the statement of financial activities, under the relevant department.

At 31 March 2023 Scope Central Trading Limited had £497,591 net assets (compared to £304,066 in 2021/22). This comprised assets of £532,541 (compared to £348,255 in 2021/22) and liabilities of £34,950 (compared to £44,189 in 2021/22).

Scope holds 100% of the share capital of Scope Central Trading Limited (see note 15).

## 9. Analysis of total expenditure and support costs

The Group	Activities undertaken directly £000	Support costs £000	2023 total £000	2022 total £000
<b>Cost of raising funds:</b>				
Cost of raising donations and legacies	6,888	1,934	8,822	7,274
Cost of trading activities	20,225	3,480	23,705	23,749
<b>Total cost of raising funds</b>	<b>27,113</b>	<b>5,414</b>	<b>32,527</b>	<b>31,023</b>
<b>Charitable activities</b>				
Community engagement	3,342	292	3,634	1,390
Employment services	2,299	555	2,854	2,676
Family services	1,674	671	2,345	2,006
Information and advice	2,266	483	2,749	2,391
Influencing and campaigning	5,970	593	6,563	4,915
Strategic spend	1,077	97	1,174	581
Governance	139	–	139	136
<b>Total cost of charitable activities</b>	<b>16,767</b>	<b>2,691</b>	<b>19,458</b>	<b>14,095</b>
<b>Total expenditure</b>	<b>43,880</b>	<b>8,105</b>	<b>51,985</b>	<b>45,118</b>

<b>Total expenditure excluding cost of trading activities</b>	<b>23,655</b>	<b>4,625</b>	<b>28,280</b>	<b>21,369</b>
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	Management, HR and communications £000	Finance and purchasing £000	Technology services £000	Property and facilities £000	2023 total £000	2022 total £000
<b>Support costs</b>						
<b>Cost of raising funds:</b>						
Cost of raising donations and legacies	655	489	375	415	1,934	1,326
Cost of trading activities	1,179	879	676	746	3,480	3,732
	<b>1,834</b>	<b>1,368</b>	<b>1,051</b>	<b>1,161</b>	<b>5,414</b>	<b>5,058</b>
<b>Charitable activities:</b>						
Community engagement	98	74	57	63	292	180
Employment services	188	140	108	119	555	487
Family services	228	169	130	144	671	611
Information and advice	163	122	94	104	483	442
Influencing and campaigning	201	150	115	127	593	484
Strategic spend	33	24	19	21	97	26
<b>Total support costs, charitable activities:</b>	<b>911</b>	<b>679</b>	<b>523</b>	<b>578</b>	<b>2,691</b>	<b>2,230</b>
<b>Total support costs for 2023</b>	<b>2,745</b>	<b>2,047</b>	<b>1,574</b>	<b>1,739</b>	<b>8,105</b>	<b>7,288</b>
Total support costs for 2022	2,429	1,990	1,364	1,505		

We review the basis of support cost allocation every year to make sure it's reasonable and fairly reflects the nature of the costs and how they're incurred. The basis for allocation of support costs is as follows:

- According to usage or transactional data where this is relevant and available.
- Departmental headcount where the cost is related to the number of colleagues.
- In proportion to the size of the cost base where the size of the departmental activity is more relevant.
- Evenly allocated across departments where this is considered a more appropriate indicator for corporate costs.

## 10. Net income/expenditure

	Group 2023 £000	Group 2022 £000
<b>Net income/expenditure for the year is stated after charging:</b>		
<b>Auditors' remuneration:</b>		
Audit of these financial statements	49	47
Audit of the charity's subsidiaries	4	6
Non-audit fees*	3	4
<b>Loss on sale of tangible assets:</b>		
Loss on the sale of fixed assets	34	–
<b>Depreciation of intangible and tangible fixed assets:</b>		
Owned assets	638	575
<b>Net pension finance cost</b>	<b>582</b>	<b>349</b>
<b>Operating lease rentals:</b>		
Equipment	201	118
Property	4,561	4,340
Motor vehicles	204	194

\* Non-audit fees relate to Gambling Commission reporting

## 11. Information regarding employees and Trustees

	Group 2023 £000	Group 2022 £000
<b>Staff costs comprise:</b>		
Wages and salaries	21,607	19,120
Social security costs	1,911	1,582
Other pension costs	510	610
	24,028	21,312
Payments made to independent third parties for the provision of staff	405	338
<b>Total payroll and staff related costs</b>	<b>24,433</b>	<b>21,650</b>

In addition to the payroll and staff costs set out in the table, there were redundancy payments of £50,864 (compared to £52,772 in 2021/22) and ex-gratia (goodwill) payments of £49,042 (compared to £33,978 in 2021/22). Ex-gratia payments were made as part of settlement agreements with ex-employees at the time of leaving and were fully paid in the year. These payments are managed through the People Team in line with approved policy and procedure and authorised in accordance with the Scheme of Delegation based on the size of payment.

Payments made to independent third parties for the provision of staff are costs to cover vacancies pending recruitment, short-term sickness cover and certain projects.

<b>Average number of employees during the year:</b>	<b>2023</b>	<b>2022</b>
Cost of raising donations and legacies	40	33
Cost of trading activities	486	512
Community engagement	14	13
Employment services	47	40
Family services	79	73
Information and advice	39	39
Influencing and campaigning	50	47
Strategic spend	5	1
Support costs	69	66
Governance	3	1
	<b>832</b>	<b>825</b>

The average full-time equivalent headcount for the year was 710 (compared to 718 in 2021/22). The full-time equivalent excludes hourly paid casual workers due to the variable nature of the hours worked.

The number of senior colleagues whose salary for the year (including taxable benefits in kind and redundancy payments, but not employer pension costs) exceeded £60,000 was:

	<b>2023 Number</b>	<b>2022 Number</b>
£60,000 – £70,000	11	9
£70,001 – £80,000	6	2
£80,001 – £90,000	1	4
£90,001 – £100,000	3	1
£100,001 – £110,000	2	–
£110,001 – £120,000	1	2
£120,001 – £130,000	–	–
£130,001 – £140,000	–	–
£140,001 – £150,000	2	2
	<b>26</b>	<b>20</b>

We operate an auto enrolment defined contribution scheme as our main pension plan.

23 senior colleagues are accruing retirement benefits from the defined contribution scheme (compared to 18 in 2021/22). Contributions paid for the year, including salary sacrifice amounts, in respect of senior colleagues included in the table above for all schemes amounted to £151,578 (compared to £90,569 in 2021/22).

All of the Executive Leadership Team who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration paid in respect of these individuals was £991,555 including salary £863,536, employer's national insurance contributions £111,548 and employer's pension contributions £16,471 (compared to total remuneration of £998,829 in 2021/22 including salary £876,437, employer's national insurance contributions £107,136 and employer's pension contributions £15,256).



In 2022/23, no Trustee or person closely related or connected to them has received any remuneration or other benefit from Scope. Other than as a beneficiary on non-preferential terms (same as 2021/22). During the year, we reimbursed £852 for travel, subsistence and accommodation expenses to 4 Trustees (none in 2021/22).

## 12. Intangible fixed assets for use by the group and charity

Group and charity	Software development £000	Total £000
<b>Cost</b>		
At 1 April 2022	407	407
Additions	579	579
Disposals	—	—
<b>At 31 March 2023</b>	<b>986</b>	<b>986</b>
<b>Accumulated amortisation</b>		
At 1 April 2022	42	42
Charge for the year	87	87
Disposals	—	—
<b>At 31 March 2023</b>	<b>129</b>	<b>129</b>
<b>Net book value</b>		
At 1 April 2022	365	365
<b>At 31 March 2023</b>	<b>857</b>	<b>857</b>

## 13. Tangible fixed assets for use by the group and charity

Group and charity	Freehold and leasehold property £000	Motor vehicles £000	Fixtures, equipment and computers £000	Total £000
<b>Cost</b>				
At 1 April 2022	5,245	15	9,158	14,418
Additions	664	—	415	1,079
Disposals	(458)	(15)	(714)	(1,187)
<b>At 31 March 2023</b>	<b>5,451</b>	<b>—</b>	<b>8,859</b>	<b>14,310</b>
<b>Accumulated depreciation</b>				
At 1 April 2022	5,241	15	7,367	12,623
Charge for the year	39	—	512	551
Disposals	(458)	(15)	(680)	(1,153)
<b>At 31 March 2023</b>	<b>4,822</b>	<b>—</b>	<b>7,199</b>	<b>12,021</b>
<b>Net book value</b>				
At 1 April 2022	4	—	1,791	1,795
<b>At 31 March 2023</b>	<b>629</b>	<b>—</b>	<b>1,660</b>	<b>2,289</b>

We have not adopted a policy of revaluing our properties. The carrying amount of our tangible fixed assets is held at depreciated cost.

## 14. Investments

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
<b>Total investments:</b>				
Financial investments	30,570	40,185	30,570	40,185
	<b>30,570</b>	<b>40,185</b>	<b>30,570</b>	<b>40,185</b>

	Group and charity 2023 £000	Group and charity 2022 £000
<b>Total financial investments:</b>		
Market value at 1 April	40,185	40,031
Additions at cost	–	1,350
Sale of fixed asset investments	(8,057)	(1,900)
Net investment unrealised gains/(losses)	(1,558)	704
<b>Market value at 31 March</b>	<b>30,570</b>	<b>40,185</b>
<b>Investments comprise the following:</b>		
<b>Investments listed on a UK stock exchange</b>		
Fixed interest	7,648	8,019
Equities	9,625	10,620
Cash deposits held as part of investment portfolio	13,297	15,324
Cash deposits held separate to investment portfolio	–	6,222
<b>Market value at 31 March</b>	<b>30,570</b>	<b>40,185</b>
<b>Being at market value:</b>		
<b>Investment assets in the United Kingdom</b>	<b>30,570</b>	<b>40,185</b>
Historical cost at 31 March	28,748	37,051

Financial investments are measured at fair value through income and expenditure.

The equity holdings are held as a proportion of a fund, rather than direct share holdings. No single equity investment exceeds 5%. The Trustees consider the value of the investments to be supported by their underlying assets.

There is no difference between fair value and market value as the investments are either fixed interest, equities or cash deposits. Market valuation shows the fair value for these assets.

## 15. Subsidiaries

Results for the subsidiaries listed below are included in the group balances of these accounts:

<b>Subsidiary undertaking</b>	<b>Country of registration and/or operation</b>	<b>Principal activities</b>	<b>Authorised and issued share capital</b>
Scope Central Trading Limited 100% direct holding (Company no. 1108300)	England and Wales	Purchase of general merchandise, the distribution and sale of clothing and gifts and sales of greeting cards	£100
Scope Pension Scheme Trustee Limited* 100% direct holding (Company no. 01814430)	England and Wales	Dormant	£100. £2 issued and fully paid
Scope (IP) Limited (Company no. 11774613)	England and Wales	Dormant	£1

\*Entitled to audit exemption by virtue of section 480 of the Companies Act 2006, as dormant companies.

## 16. Debtors

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Charity 2023 £000</b>	<b>Charity 2022 £000</b>
Trade debtors*	172	264	172	264
Gift Aid recoverable*	637	672	637	672
Staff loans*	1	1	1	1
Other debtors*	1,325	986	1,311	1,021
Accrued income	2,978	2,655	2,978	2,655
Prepayments	1,701	1,749	1,701	1,749
	<b>6,814</b>	<b>6,327</b>	<b>6,800</b>	<b>6,362</b>

\*Financial assets measured at amortised cost.

Trade debtors are shown net of a £nil provision (same as 2021/22).

Staff loans are imprests of £1,100 (same as 2021/22) to be repaid on leaving Scope or when the individual's employment changes.

## 17. Creditors: amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors*	824	765	817	763
Taxation and social security*	460	423	460	423
Amounts owed to group undertakings*	–	–	7	82
Other creditors*	161	751	161	784
Accruals	2,072	1,597	2,061	1,589
Deferred income (note 18)	71	94	71	94
	<b>3,588</b>	<b>3,630</b>	<b>3,577</b>	<b>3,735</b>

\*Financial liabilities measured at amortised cost.

Amounts owing in respect of pension schemes at 31 March 2023 included above are £110,419 (compared to £95,897 in 2021/22).

## 18. Deferred income

	Balance 31 March 2022 £000	Release to income £000	Deferred in current year £000	Balance 31 March 2023 £000
<b>Group and charity:</b>				
Income in advance of service delivery	94	(94)	71	71
	<b>94</b>	<b>(94)</b>	<b>71</b>	<b>71</b>

## 19. Provisions for liabilities and charges

	Balance 31 March 2022 £000	Charged to income and expenditure £000	Utilised £000	Balance 31 March 2023 £000
<b>Group and charity:</b>				
Provisions for dilapidations	2,055	–	(126)	1,929
Provision for onerous leases for shops vacated by Scope	47	–	(47)	–
Provision for rent free periods	1,059	97	(179)	977
	<b>3,161</b>	<b>97</b>	<b>(352)</b>	<b>2,906</b>

Where an onerous lease commitment exists, the provision for future lease commitments has been calculated as the net present value of rent payable less rent receivable to the end of the period. This has been estimated after accounting for vacant periods, lease incentives and discounted market rates designed to ensure future tenancy.

As part of the group's property leasing arrangements there is an obligation to repair damages on certain properties, incurred during the life of the lease, such as wear and tear. The cost is charged to the statement of financial activities as they arise. The provision is expected to be used as the leases terminate.

## 20. Funds

	Balance 31 March 2022 £000	Incoming resources £000	Expenditure, gains and losses £000	Transfers £000	Balance 31 March 2023 £000
<b>Group:</b>					
<b>Unrestricted funds:</b>					
Unrestricted funds, general	33,099	40,452	(48,161)	712	<b>26,102</b>
Designated funds, strategic investment**	2,500	–	(1,174)	(626)	<b>700</b>
Designated funds, pension	6,500	–	–	–	<b>6,500</b>
<b>Restricted funds:</b>					
Restricted funds	1,502	3,605	(3,626)	(86)*	<b>1,395</b>
Permanent endowment	10	–	–	–	<b>10</b>
<b>Total funds</b>	<b>43,611</b>	<b>44,057</b>	<b>(52,961)</b>	<b>–</b>	<b>34,707</b>

	Balance 31 March 2022 £000	Incoming resources £000	Expenditure, gains and losses £000	Transfers £000	Balance 31 March 2023 £000
<b>Charity:</b>					
<b>Unrestricted funds</b>					
Unrestricted funds, general	32,796	39,391	(47,295)	712	<b>25,604</b>
Designated funds, strategic investment**	2,500	–	(1,174)	(626)	<b>700</b>
Designated funds, pension	6,500	–	–	–	<b>6,500</b>
<b>Restricted funds:</b>					
Restricted funds	1,502	3,605	(3,626)	(86)*	<b>1,395</b>
Permanent endowment	10	–	–	–	<b>10</b>
<b>Total funds</b>	<b>43,308</b>	<b>42,996</b>	<b>(52,095)</b>	<b>–</b>	<b>34,209</b>

\*Transfer reflects spend on intangible assets during the year.

\*\*Designated funds for strategic investment are planned to be spent in the next year.

Restricted funds are mostly restricted grants (see note 6) and restricted donations (see note 3). These are all accounted for in line with the limitations placed on each fund. Included in restricted funds are a £1.5 million grant from Charities Aid Foundation and a £0.7 million government grant for our Working on Wellbeing service, all of which was spent in year.

A designated fund of £6.5 million (£6.5 million in 2021/22) is in place as security for the Scope Pension Scheme.

A designated fund of £0.7 million (£2.5 million in 2021/22) is held for planned strategic investment in the next year. Funds in excess of this amount have been transferred to unrestricted funds due to cost savings on investment projects. We'll designate further funds as we develop and authorise detailed investment business cases to deliver our new 10-year strategy.

## 21. Analysis of assets and liabilities between funds

	Restricted funds £000	Designated strategic £000	Designated pension £000	Unrestricted funds £000	Total 2023 £000
<b>Group:</b>					
<b>Fixed assets</b>	–	700	6,500	26,516	33,716
Current assets	1,405	–	–	6,080	7,485
Current liabilities	–	–	–	(3,588)	(3,588)
<b>Net current assets</b>	<b>1,405</b>	<b>–</b>	<b>–</b>	<b>2,492</b>	<b>3,897</b>
Provisions for liabilities and charges	–	–	–	(2,906)	(2,906)
<b>Net assets</b>	<b>1,405</b>	<b>700</b>	<b>6,500</b>	<b>26,102</b>	<b>34,707</b>

	Restricted funds £000	Designated strategic £000	Designated pension £000	Unrestricted funds £000	Total 2023 £000
<b>Charity:</b>					
<b>Fixed assets</b>	–	700	6,500	26,516	33,716
Current assets	1,405	–	–	5,571	6,976
Current liabilities	–	–	–	(3,577)	(3,577)
<b>Net current assets</b>	<b>1,405</b>	<b>–</b>	<b>–</b>	<b>1,994</b>	<b>3,399</b>
Provisions for liabilities and charges	–	–	–	(2,906)	(2,906)
<b>Net assets</b>	<b>1,405</b>	<b>700</b>	<b>6,500</b>	<b>25,604</b>	<b>34,209</b>

## 22. Free reserves

	Group 2023 £000	Group 2022 £000
<b>Net assets</b>	34,707	43,611
<b>Less:</b>		
Restricted funds	(1,405)	(1,512)
Designated funds	(700)	(2,500)
Investments held for defined benefit pension	(6,500)	(6,500)
Amount represented by tangible and intangible fixed assets	(3,146)	(2,160)
<b>Free reserves of group</b>	<b>22,956</b>	<b>30,939</b>
Free reserves of charity	22,458	30,636

Free reserves include minimum retained free reserves of £18 million (£15 million in 2022) and available free reserves of £5 million (£15.9 million in 2022) in line with our reserves policy (page 20).

## 23. Operating lease commitments

	Land and buildings	Land and buildings	Vehicles and equipment	Vehicles and equipment
	2023 £000	2022 £000	2023 £000	2022 £000
<b>Group</b>				
<b>Leases which expire:</b>				
Within one year	2,521	3,065	328	124
Within two to five years	4,651	5,487	–	191
After five years	603	1,077	–	–
	<b>7,775</b>	<b>9,629</b>	<b>328</b>	<b>315</b>

## 24. Taxation

As a registered charity, Scope is exempt from taxation under Part 11, Chapter 3 of the Corporation Tax Act 2010. Any taxation liabilities of the group are managed through the policy of the trading subsidiary company to gift all taxable profits to Scope. During the year ended 31 March 2023 no charge to tax has been incurred.

## 25. Members

The charity is incorporated as a company limited by guarantee having no share capital. In accordance with the Memorandum of Association, each one of the 1,040 Members, (compared to 577 in 2021/22), is liable to contribute £5 if the company is wound up.

## 26. Related party disclosures

During the year ended 31 March 2023, the group had the following related party transactions.

Scope has been a Charity Partner of Deloitte since 2019/20. Zeinab Chaudhury, Scope Trustee, is a consultant at Deloitte and Alex Massey, Scope Independent Member, is a partner at Deloitte. The relationship is managed by a different Deloitte partner, Zeinab and Alex are not part of the team working with Scope. In 2022/23 we received donations of £141,000 and £64,000 as donations in kind through consultancy services and laptops (note 3).

We received £100,000 from Sainsbury's for distribution of food vouchers. Joanne Hall, Scope Trustee, is the Head of Stores at Sainsbury's.

We're contracted with BT plc as a strategic technology partner to provide Internet connectivity, telephony, and Wi-Fi access, where Simon Godfrey is a Board member. We're in the process of migrating from our previous supplier. No charges were incurred in 2022/23.

During the year ended 31 March 2023, the following transactions occurred between the companies within the group:

- Gift Aid is to be paid to Scope from Scope Central Trading Limited (see note 8 subsidiaries' income and costs).

## 27. Ultimate parent undertaking and controlling party

There is no immediate or ultimate parent undertaking or controlling party.

Scope is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Scope are available from Here East Press Centre, 14 East Bay Lane, London, E15 2GW.

## 28. Pension scheme

Scope operates the following pension schemes.

- A single employer defined benefit pension scheme. The Scope Pension Scheme was closed to new members and new accruals in 2007. Current membership of the Scheme is 939 pensioners and 674 deferred members (compared to 936 pensioners and 708 deferred members in 2021/22). The Scheme is managed separately to Scope's finances by Scope Pension Scheme Trustee Limited, which delegates services to a variety of bodies. Contributions to cover expenses and to recover any deficit in the Scheme are paid from time to time to the Scheme. This is in accordance with the Schedule of Contributions agreed between the Trustees and Scope.
- The Defined Contribution Stakeholder Pension Scheme was opened on 1 October 2003, when the existing Scope Pension Scheme was closed to new members. The stakeholder scheme was closed to further contributions on 30 June 2013. On 1 July 2013, and to comply with Government legislation on auto enrolment, a defined contribution Group Personal Pension Plan was opened to replace the stakeholder pension scheme. Employees were able to join when it began, or after a deferred period of three months. There are currently 706 active members compared to 849 in 2021/22.

Additional details are provided for the primary schemes as follows:

### A. Scope Pension Scheme

We operate a defined benefit pension scheme, the Scope Pension Scheme. The scheme funds are administered by Trustees and are independent of Scope's finances.

Contributions are paid to the scheme in line with the schedule of contributions agreed between the Trustees and Scope.

The results of the actuarial valuation at 31 December 2020 were updated to the Scheme's accounting date by an independent qualified actuary. The value of the defined benefit liabilities has been measured using the projected unit method.



Under FRS 102, the pension asset that can be recognised on the balance sheet is limited to nil as Scope does not have an unconditional right to a refund as per the Trust Deed and consultation with our actuaries. The impact of this limit on the balance sheet and the actuarial gains and losses entry is shown in the figures below.

<b>Assumptions</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
RPI inflation (per annum)	3.5%	3.9%	3.4%	2.7%	3.3%
CPI inflation (per annum)	2.5%	2.9%	2.4%	1.9%	2.2%
Discount rate (per annum)	4.8%	2.8%	2.0%	2.5%	2.4%
Pension increases (PPI 3% per annum minimum, 5% per annum maximum)	3.8%	3.9%	3.7%	3.5%	3.7%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 65 would be expected to live for a further 22 years (22 years 2021/22) and a female pensioner aged 65 would be expected to live a further 24 years (24 years 2021/22). Allowance is made for future improvements in life expectancy.

Asset distribution and expected return:

	<b>31 March 2023 Current allocation</b>	<b>31 March 2023 Fair value £000</b>	<b>31 March 2022 Current allocation</b>	<b>31 March 2022 Fair value £000</b>
Liability driven investments	28%	21,367	27%	28,566
Diversified growth funds	11%	8,075	8%	8,293
Corporate bonds	18%	13,191	14%	14,792
Multi-asset credit	7%	5,083	11%	12,734
Cash	1%	832	9%	9,936
Insured pensions	35%	26,002	31%	33,010
<b>Total</b>	<b>100%</b>	<b>74,550</b>	<b>100%</b>	<b>107,331</b>

	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>
<b>Balance sheet</b>		
Present value of Scheme liabilities	71,914	95,928
Total fair value of Scheme assets	(74,550)	(107,331)
Surplus	(2,636)	(11,403)
Adjustment to reflect asset limit	2,636	11,403
<b>Pension asset</b>	<b>–</b>	<b>–</b>

Under FRS 102, the Scheme is represented on the balance sheet at 31 March 2023 as a £nil asset (£nil 2021/22) as Scope does not have an unconditional right to a refund as per the Trust Deed and consultation with our actuaries.

The following amounts have been included as ‘Resources expended’ under FRS 102.

	<b>31 March 2023 £000</b>	<b>31 March 2022 £000</b>
Running costs	582	349
Past service cost	–	–
<b>Net return to charge to finance income</b>	<b>582</b>	<b>349</b>

The following amounts have been recorded under the 'actuarial gains and losses on pension scheme assets and liabilities' heading within the statement of financial activities.

	At 31 March 2023 £000	At 31 March 2022 £000
Remeasurements	8,504	(3,513)
Change in asset limit other than interest	(9,086)	3,164
<b>Actuarial gains recognised</b>	<b>(582)</b>	<b>(349)</b>

Changes in the present value of the Scheme liabilities:

	31 March 2023 £000	31 March 2022 £000
Opening present value of Scheme liabilities	95,928	107,504
Interest on Scheme liabilities	2,631	2,111
Past service cost	—	—
Actuarial (gain)/loss	(22,663)	(9,779)
Benefits paid	(3,982)	(3,908)
<b>Closing present value of Scheme liabilities</b>	<b>71,914</b>	<b>95,928</b>

Changes in the fair value of the Scheme assets:

	At 31 March 2023 £000	At 31 March 2022 £000
Opening fair value of the Scheme assets	107,331	115,582
Interest on Scheme assets	2,950	2,273
Actual return on Scheme assets less interest on Scheme assets	(31,167)	(6,267)
Contributions by the employer	—	—
Running costs	(582)	(349)
Benefits paid	(3,982)	(3,908)
<b>Closing fair value of the Scheme assets</b>	<b>74,550</b>	<b>107,331</b>

Changes in the net balance sheet position:

	31 March 2023 £000	31 March 2022 £000
Opening net asset	—	—
Return to charge to finance income	582	349
Actuarial gains recognised	(582)	(349)
Employer contributions	—	—
<b>Closing net asset</b>	<b>—</b>	<b>—</b>

Changes in the impact of the asset ceiling:

	31 March 2023 £000	31 March 2022 £000
Effect of asset ceiling at the start of the year	11,403	8,078
Interest on asset limit	319	161
Change in asset limit other than interest	(9,086)	3,164
<b>Pension asset</b>	<b>2,636</b>	<b>11,403</b>

## B. Group Personal Pension Plan

Members may contribute as much as they want to the Group Personal Pension Plan subject to Her Majesty's Revenue and Customs (HMRC) rules.

We provide employers' contributions to the Group Personal Pension Plan, in line with legislation and based on contributions matched by the employee. The following table illustrates the contribution rates payable. Employees can receive enhanced contributions based on their length of service.

Membership eligibility	Scope contribution %	Employee contribution %
Basic	3% of qualifying earnings	5% of qualifying earnings
Upgrade after 2 years' service	4% of total earnings	Employee must match the employer % contribution
Upgrade after 4 years' service	6% of total earnings	Employee must match the employer % contribution

We deduct employee contributions on a salary exchange basis approved by HMRC. Details of the pension plan are provided to employees under the rules of auto enrolment, or on request.

Scope made payments to the Group Personal Pension Plan including salary sacrifice which amounted to £1,301,296 in 2022/23 (compared to £1,072,825 in 2021/22).