



The 103rd Annual Report of the Council of Blind Veterans UK

Year ended 31 March 2018



Life beyond sight loss
St Dunstan's since 1915

“We give veterans much-needed support to adjust to sight loss, overcome the challenges of blindness and enjoy daily life. Our charity has been offering physical and emotional support to vision-impaired veterans since 1915.”

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Chairman's foreword to the annual report and financial statements 2017/18

When he founded St Dunstan's in 1915 Sir Arthur Pearson had a very clear understanding of the potentially devastating consequences for young men returning from war having lost their sight. He knew that even with the love and care of their families, without proper rehabilitation they would be effectively thrown on the scrapheap, unfulfilled and increasingly socially isolated.

During the Great War St Dunstan's had most war-blinded servicemen referred to them on their return, with Pearson building its reputation, influence and capacity as he grew the organisation and its financial independence.

A little over 100 years later St Dunstan's has now morphed into Blind Veterans UK. While much has changed around us in that time, such as the introduction of the NHS and some state-provided welfare services, Pearson's clear grasp of the fundamentals of dealing with sight loss remain much the same. So too does the critical need for the charitable sector to provide the bulk of support services for rehabilitation of the blind – a role uniquely undertaken by Blind Veterans UK for our ex-service personnel across the country. And, just as St Dunstan's did at the outset, we continue to make a life-long commitment to our beneficiaries.

It is also important for us to continue to look forward and modernise and I am proud of the fact that Blind Veterans UK has always been able to adapt to best support the needs of the blind veterans we have as members. In 2000, the charity expanded its scope to provide support to all blind and vision-impaired veterans, no matter what the cause of their sight loss or how long they served. Today, a great number of our blind veterans suffer from age-related eye diseases.

We therefore need to continue evolving. By 2020, more than 85 per cent of our beneficiaries will be over 80 years old and 40 per cent will be over 90 years old. Many of our current and future beneficiaries are increasingly likely to struggle with their mobility or be unable or unwilling to travel to our training and rehabilitation centres.

As a result, we are going to take our services to them, in their homes and in their communities. The Trustees have set the charity a number of strategic objectives for the next five years including:

- Increasing the number of blind veterans we engage with and actively support.
- Developing a high-quality, regionally-focused delivery model.
- Enabling beneficiaries to live independent and fulfilled lives and increase the impact we have on their lives.
- Contributing to research and technological development to reduce the incidence and impact of blindness.
- Increasing the contribution of volunteering to the activities of the charity.
- Increasing net fundraising income by £9 million per annum by year five and developing a whole-charity fundraising culture.

It is our continuing goal to reach as many blind veterans as we can and we have set the ambitious target to have helped 20,000 in total between now and 2033. To put that into context, we supported 14,000 blind veterans in our first 100 years of service.

This work will only be possible if we also adapt the way we engage with and grow our supporter base. We have always been voluntary funded, relying on the generosity of our supporters and we value them greatly, whether they be donors, volunteers or advocates. To achieve our growth goals it is crucial that this support group grows alongside our beneficiaries. Such is the importance of this work that the Trustees have agreed that some of our reserve must be allocated early in the programme to invest in improving our engagement work, as well as the start-up costs of the new operating model. In 2017/18 year we drew down £10 million from the investment funds and we plan to allocate similar amounts annually over the next few years, until our operations return to being self-sustaining.

In parallel with developing our new strategy, we are also focused on strengthening our governance. We operate in a sector which is already highly regulated and is becoming, rightly, ever more stringent. Moreover, we must satisfy public expectations of charities in order to build trust and confidence. We believe we are well placed and, to avoid complacency, audit ourselves against the most recent edition of the Charity Governance Code. But we will not rest on our laurels. We aim to be a governance exemplar, using this time to examine afresh our behaviours and culture as an organisation and ensuring that we are as transparent as possible.

This is my first Annual Report as Chairman of Blind Veterans UK. I pick up the reins from Tim Davis who oversaw a period of great change during his final year. The charity is indebted to Tim for his selfless and dedicated service during his four years as our Chairman and eight years as a Trustee. Without his drive, commitment and supervision we would not be able to make the dramatic and exciting changes detailed above. I count myself extremely privileged to take on this legacy. I trust Sir Arthur Pearson would have nodded approvingly at the universal mood I detect throughout Blind Veterans UK today: bold, pioneering and utterly committed to our task.

Thank you to everyone who supported Blind Veterans UK in 2017/18. I look forward to working with you all in the coming years to allow us to support more blind veterans than ever before to achieve life beyond sight loss.

Air Vice-Marshal Paul Luker CB OBE AFC DL
Chairman
Blind Veterans UK



Chief Executive's introduction to the annual report and financial statements 2017/18

It has been a busy year as we start to make our five year strategy a reality with the aim of increasing our membership and providing high quality services closer to our beneficiaries' homes.

Our community teams, established in January 2017, are now properly bedded in and providing a first class service supporting veterans where they need it most, in their own communities. The teams have been designed with growth in mind, and will have the ability to expand over the next five years to support the increasing number of blind veterans we are aiming to be there for. To mark the launch of our new community initiative, we sponsored a Show Garden at the 2017 RHS Hampton Court Palace Flower Show. Opened by our Patron, HRH The Countess of Wessex, the garden titled "It's all about Community" won both a gold medal and the Best Construction award and succeeded in spreading awareness of our community programme to a wide audience.

Our priorities during this year have included developing a new engagement approach and team that can grow the support base and income required to sustain the strategy outlined by our Chairman. We are introducing an engagement strategy that mirrors our newly developed service delivery model. This means engaging with potential supporters and volunteers in their own communities and allowing the charity to gain a local presence on a national scale, with the objective of increasing the number of volunteers, donors and advocates leading to higher levels of fundraising.

Although our new service delivery model has now been up and running for more than a year, there is still work that needs to be done to ensure that all our beneficiaries receive the same high quality level of service across the whole country. We will continue to develop our community support, adapting where necessary to meet the changing needs of our blind veterans, and ensuring that we are well-positioned to provide each and every beneficiary with the through-life support that they need and deserve.

One of the most exciting initiatives to emerge in my time as Chief Executive of this fantastic charity is our return to research and innovation, a driving passion of Lord Fraser who served over 50 years as our Chairman. The challenges that all our beneficiaries face stem from blindness. We are currently active in three research areas: Biomedical Research, Welfare and Social Research and Technological Innovation. There is exciting activity happening in all of these areas and it is something that everyone in the charity is committed to. As our research develops we hope that the findings will benefit not just our blind veterans but anyone striving to overcome sight loss.

It is only right that, as an organisation, we recognise our part in the First World War and, as we approach the centenary of the end of that conflict, Blind Veterans UK will leave its mark. We are proud of our history and the stories of the over 3,000 First World War blind veterans whose lives we changed forever. We know, however, that the greatest way we can honour them is to continue to provide through-life and life-changing support to thousands more blind veterans to come.

Our exciting and transformational work is only made possible due to the commitment of our supporters, staff and volunteers. I continue to be amazed by the significant work you do and by your extraordinary commitment to our cause and purpose.

Thank you.

Major General (Rtd) Nick Caplin CB
Chief Executive
Blind Veterans UK

“It is our continuing goal to reach as many blind veterans as we can and we have set the ambitious target to have helped 20,000 in total between now and 2033. To put that into context, we supported 14,000 blind veterans in our first 100 years of service.”

About us

Our vision:

To achieve victory over blindness.

Our mission:

To provide high-quality national support to blind veterans, as and where they need it, in order to help them achieve independence and fulfilment, and to transform their lives

What we do:

We provide for the education, rehabilitation, training, well-being support, medical or surgical treatment for members and former members of the Armed Forces, both men and women, blinded from whatever cause, whether or not connected with service in the Armed Forces.

Our priorities:

For the year 1 April 2017 to 31 March 2018, we focused on:

- implementing a region-based service delivery model
- achieving financial stability
- increasing membership and admissions
- measuring outcomes
- offering a coherent range of services
- a new engagement strategy
- reinforcing the behaviours and culture required to best engage members, staff and volunteers

Our board of Trustees provides collective and strategic leadership in line with our values and aims. They have the legal responsibility for, and oversight of, the running of the charity. The board empowers and provides both support and challenge to the chief executive and senior leadership team, who implement the strategy on behalf of the Trustees and lead on the day-to-day operational management and leadership of the charity.

Strategic report

The Trustees, who are also the directors for the purpose of company law, present their report, which includes the strategic report, together with the financial statements and auditors' report for the year ended 31 March 2018. The information required in the directors' report is included in the strategic report.

Having agreed on the new strategy last year, the charity's focus during 2017/18 was to develop and reinforce an affordable and sustainable five-year financial model and to develop the operational implementation plan and measurement framework to deliver the 11 strategic objectives set by the Trustees:

- 1 Contribute to research and technological development to reduce the incidence and impact of blindness.
- 2 Enable members to live independent and fulfilled lives and to increase the impact we have on their lives.
- 3 Develop a high-quality, region-focused delivery model.
- 4 Increase the contribution of volunteering to the activities of the charity.
- 5 Advocate on behalf of our members and work in partnership with other agencies.
- 6 Develop our brand such that awareness, understanding and engagement are increased among our target audiences.
- 7 Increase the number of blind veterans we engage with and actively support.
- 8 Increase net fundraising income by £9 million per annum over the next five years and develop a whole-charity fundraising culture.
- 9 Engage all staff and volunteers to foster behaviours that are in line with our core values.
- 10 Ensure that the charity operates with effective governance and good internal controls.
- 11 Ensure that the charity operates on a sustainable footing and optimise the impact of our spending.

We have built on the start made in research last year driven forward by our Head of Research and Innovation. Our founding membership of Action Against Age-Related Macular Degeneration (Action Against AMD) is now funded and work has begun in earnest with an additional, fourth partner (Scottish War Blinded) coming on board. We have also invested, as planned, in several key research streams and collaborations. We have

maintained a watch on the shorter-term impact for members and so innovation continues to make a strong contribution to improving life for our beneficiaries.

Our new operating model, built on a framework of multi-disciplinary support delivered by 19 community teams grouped into five regions that cover the UK, has matured and is now operational. An increase in new staff has enabled this to be developed, rolled out and begin to have a very real and beneficial outcome for beneficiaries when and where they need it. The roles for our two centres in Brighton and Llandudno in providing holiday, respite and specialist training support remains vital and is complimented now by our regional work. Work is well advanced in finalising our Outcomes Framework, which is being seen, externally, as sector best practice.

We have adapted our volunteering model in parallel with the changes in operating model and are set to recruit the new regionally based staff that are required to make this a much more significant part of our impact to beneficiaries. This will allow us to provide more face-to-face contact with beneficiaries but also to develop a regional fundraising presence closer to the communities we support.

One of the most significant work strands this year has been the development and funding of a new engagement strategy. This combines the former engagement and fundraising departments into one single, stream-lined and coherent effort. We have begun the process of recruiting a strong team of people to work together and across the charity, including with our new regional teams, to deliver the brand appeal that will engage society, our supporters, partners and our communities to increase the fundraising income and volunteering effort that our new strategy will require.

Finally, the year has been about securing an affordable and sustainable five-year financial plan to deliver the strategy. We will need to increase our annual income generation. However, additionally, our strategic ambition to reach as many blind veterans as we can is such that we have begun the process of drawing on our reserves, in a managed and planned manner, to deliver the impact we require now while our potential beneficiary population needs the support.

What we achieved

Increased membership and use of our services

Throughout last year, the charity recruited 922 beneficiaries (940 in 2016/17).

The No One Alone campaign ran throughout 2017 with the aim of driving beneficiary recruitment for the charity. It did this through marketing and PR, including social media and web updates, stakeholder engagement, events and advocacy. A number of integrated campaigns ran during the year including over National Eye Health Week, the Remembrance period and Christmas. The team also started preliminary work with a number of other charities on isolation. This includes joining the Loneliness Action group for the Jo Cox Commission and deploying 16 blind veteran volunteers at around 170 different external events through the year.

Developed and improved our range of member services

Our Brighton and Llandudno centres have continued to develop their range of services for blind veterans, which includes rehabilitation, respite care and holidays, to ensure beneficiaries receive the support they need to live independently after sight loss. The Llandudno centre remodelled some of its rehabilitation services to introduce a health and wellbeing element to its service offer for members in need of general support to improve their mental and physical health. The centre was inspected by the Care Inspectorate Wales in February 2018 who returned an excellent report which stated that “people staying at Blind Veterans UK Llandudno receive a high standard of care and support from a service which is committed to enhancing their lives.”

At the Brighton centre, we restructured our senior management team into Rehabilitation, Care, Operations and Facilities to mirror the structure in Llandudno. This has seen the introduction of four new departmental managers who have begun the process of reviewing their department and services to members to ensure that they remain relevant and of the highest quality. The Brighton Centre was inspected by the Care Quality Council in November 2017 returning a grade of “good” with areas of outstanding practice being found in care and the centre’s responsiveness to need.

Also at the centres this year, we have introduced our first introductory weeks for working-age members. The weeks were designed to enable our younger beneficiary population to be introduced to the charity, what the centres can offer, and to receive a more targeted service to meet their needs. The Working Age Member (WAM) team also introduced a quarterly newsletter to the WAM population to promote up and coming events and engage members in consultation around the development of services.

Implemented a new community model of delivering local services to members

This year, we supported 42 new operational staff who joined us in February 2017. Their primary focus was to establish 19 community teams and to ensure the successful transition of 4,600 members ensuring that the support provided to them remained at a high level. In addition to ensuring effective one-to-one support for members from a dedicated worker, the new teams have begun to develop the offer in the community targeting those beneficiaries especially who, for a number of reasons, find it hard to get to a centre. New lunch clubs and social events have taken place all over the country with some areas offering specific trips and outings to local members.

In addition to this, we have begun to pilot new services in the community such as information technology (IT) assessment and training. This year we recruited four IT Support Workers into the community able to assess and train members to use IT equipment in their own homes. Supported by the Directorate’s helpline, the impact of this project has been additional follow up training for members who began to use IT in a centre, improved communication and socialisation for members who live on their own and increased further specialist training for those beneficiaries who wish to progress their learning.

Supported more veterans through our volunteers

Volunteers play an increasingly important part within our charity, and their role is set to develop even further over the coming years. At the end of the last financial year, we had 735 active volunteers across all areas of the organisation, an increase of 23 per cent on the previous year, but not including the 15 per cent attrition.

Volunteers are more engaged with the charity than ever before. This was reflected in them donating 38,175 hours of their time to support our work, a 29 per cent increase on 2016/17 and the equivalent of £527,197 in income (Reference: Note 14f).

2017/18 continued to see the biggest growth in community volunteering, with over 500 volunteers offering support to blind veterans in their local communities and homes.

Recognising that volunteers and staff form one team who work together on behalf of our beneficiaries, we have redefined our values and rolled out a programme to encourage alignment across the Blind Veterans UK family. We actively recruit people who share our values and feel a personal resonance with our vision and mission. We continue to develop our people in accordance with the principles of Investors in People and Investor in Volunteers.

Significant activities we undertook

Research and innovation

Research is key to enable blind veterans to rebuild their lives and live their lives to the fullest. We therefore have a blind veteran-centred research approach. The department is divided into three areas: medical and biomedical sciences, social and welfare sciences and innovations. Focusing in these areas will allow us to devise better solutions toward meeting needs. Projects that we are pursuing of value to our beneficiaries include:

- research into sight loss as a consequence of traumatic brain injury
- research into circadian cycles and metabolism de-regulation in visual impairment
- research to understand blind veterans epigenetics and longevity
- research to understand blind veterans state of mind
- research into age-related sight loss, including support to our collaborative Action Against AMD programme

Fundraising activities

In 2017/18 total fundraising income was £21.5 million, with donations of £7 million and legacies of £14.5 million. Fundraising costs were £4.7 million.

We have invested in our community fundraising activities and as a result supporters from all across the UK helped the regional fundraising teams raise over £0.6 million in 2017/18. 255 supporters took on sporting challenges and 242 attended social fundraising events such as murder mystery dinners and musical concerts. The regional teams held 111 collections and have managed to place 119 static collection boxes across the country. Some of our regional highlights include knitting a spitfire and hosting the Brighton & Hove Armed Forces Day.

We recruited 10,000 new donors to the charity via a variety of methods including traditional direct marketing, printed inserts, door-drop mailings, and our raffle programme.

Our legacy pipeline continues to perform well and our income in the year was £14.5 million.

Despite difficult market conditions, (one of our major partners, Monarch Airlines, went into administration), £1 million (net) was raised through trusts and corporate partnerships.

The year at a glance



we welcomed 922 new people as beneficiaries of Blind Veterans UK, 5 per cent above our target.



we delivered training to 2,818 beneficiaries in their homes and at our centres.



we raised £21.5 million in voluntary income, split between £14.5 million in legacies and £7 million in donations.



we were generously supported by 239 trusts and foundations.



we delivered 1,246 home visits to provide beneficiaries with training and rehabilitation.



we made 309 visits to beneficiaries in their homes to provide property maintenance and advice.



we recruited over 10,000 new supporters to the charity, raised over £500k through our Christmas appeal and had our most successful Christmas raffle ever, raising another £500k.



our prompted awareness was relatively stable at 23 per cent, with trust in the Blind Veterans UK brand at 71 per cent.

Financial overview

Total income for 2017/18:

↑ £29.8 million

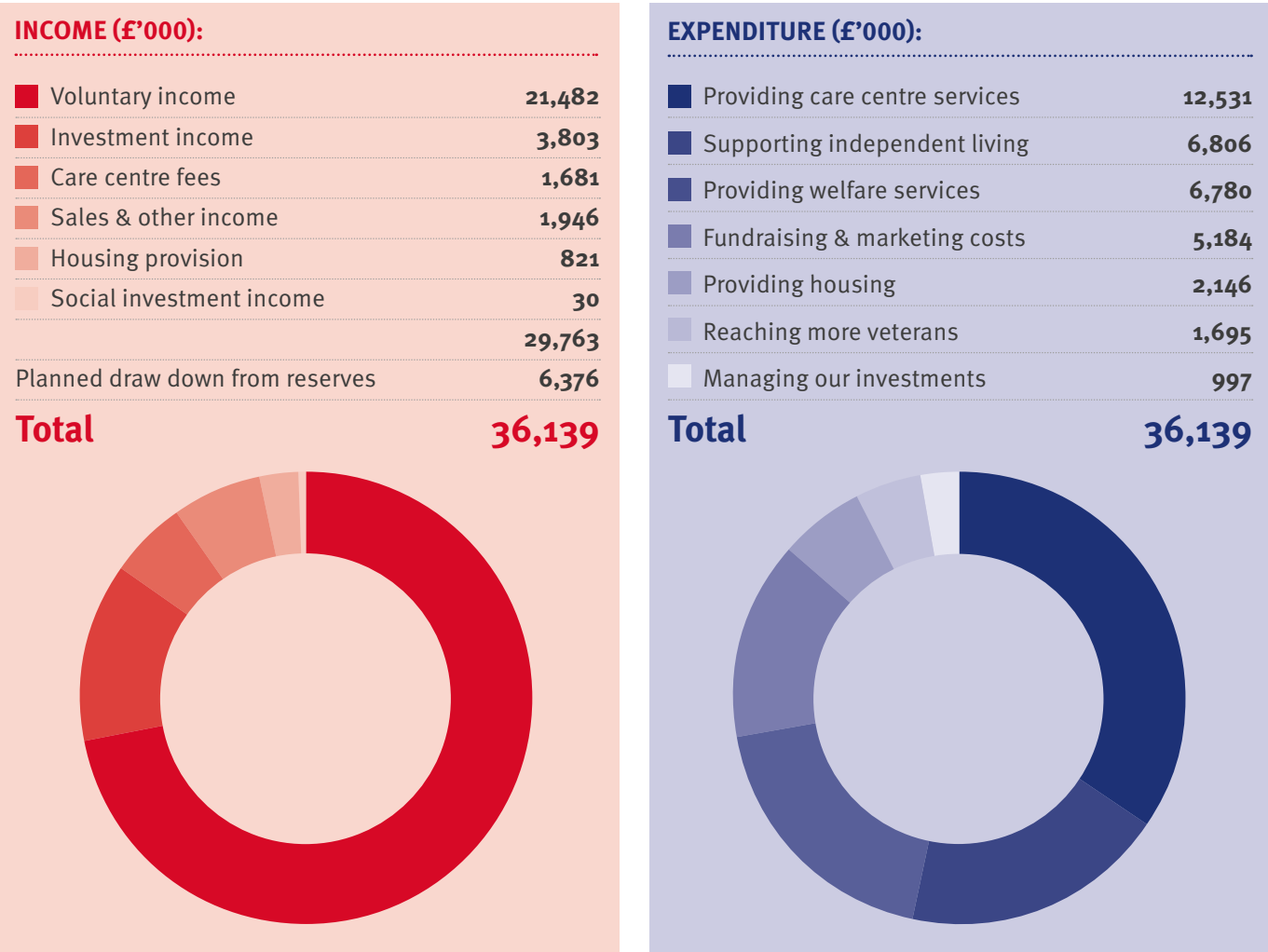
£1.8 million higher than 2016/17

Total expenditure for 2017/18:

↓ £36.1 million

£0.1 million lower than 2016/17

Please see below for further detail on the income and expenditure breakdown:



Expenditure on charitable activities:

↓ £30 million

£47,000 lower than 2016/17

Cost of generating funds in 2017/18:

→ £6.2 million

which is the same as 2016/17

Overall, net assets reduced in the year by £5.5 million to £146.8 million, of which £60.7 million (41 per cent) is restricted for the benefit of members who were blinded in active service before 31 March 2010. The main driver of the reduction in assets is a drawdown from investments of £9.8 million over the year to fund the operating deficit. Part of this drawdown is reflected in the increased cash balance which was £12.3 million at year end, which was £1.1 million higher than the previous year. Also, debtors increased by £2.5 million, driven by an increase in the accrual for our legacy pipeline.

Plans for future periods

As outlined in the strategic report our priorities for 2018/19 are:

- deliver a high-quality and efficient service
- set the conditions for growth of membership and our ‘reach’ into the qualifying population
- engagement strategy roll out
- regional development
- improve coherence of service between the centres and community teams
- volunteer growth

- estates and property management plan
- improved internal communication and development of our culture
- reinforcement of our Governance

Within our overarching purpose of delivering a high quality and efficient service to our beneficiaries, our main effort for 2018/19 is to transform our engagement operation by implementing the new engagement directorate’s sub-strategy.

Grant making

We continue to provide grants to individual beneficiaries, and in some circumstances their widow or widower, to improve their social, physical and emotional wellbeing.

Grants remain discretionary and no grant is provided on a permanent basis, which means they should not be regarded as regular income. Grants are only provided after a designated staff member has carried out an assessment of need.

Prior to applying for a grant, we expect a beneficiary to have explored any statutory entitlements and other sources of support that they may be entitled to. However, we do know that the complexity of applying for statutory support, a lack of government resources and long waiting lists, means many of our beneficiaries may struggle to quickly access the help they need.

Therefore, with any application, we take into consideration these issues as well as an individual’s personal circumstances.

If a beneficiary requires an item or service that costs over £1,000, and it’s not directly related to their sight loss, an application on behalf of the beneficiary must be made to our Grants and Housing committee before expenditure can be authorised. Grant applications below this level are authorised by a regional manager.

Grants expenditure by principal purpose strictly subject to grants policy criteria:

£1.5 million

Vision-impairment and computer equipment
Provision of equipment to enable beneficiaries to live as full a life as possible and remain independent in the modern age whilst coping with their sight loss.

£359,000

Wellbeing
Ensuring that hardship is relieved and our beneficiaries’ lives are enhanced to promote independence.

£425,000

Domestic and personal support
Support to individuals in their own homes or in registered care homes.

£56,000

Employment and training
Support to beneficiaries seeking to remain in or return to the workplace, or for those seeking meaningful activity in their lives.

In accordance with our three yearly policy review cycle, a review of the current grant policy and principles commenced and the outcome of this will be known in September 2018.

Governance, risk and internal control

The Trustees are clear about the charity needing to have processes and assurance mechanisms in place to maintain transparency and compliance with legal and regulatory requirements. Maintaining the trust and confidence of the public is vital.

Regular, well constituted and effective Executive and Trustee meetings provide for regular holding to account, scrutiny, support and guidance and ensure that decision making is well informed and timely. The Trustees have introduced an annual board effectiveness review. All Trustees are asked to comment and feedback through a questionnaire directly to either the Chairman or the Chair of the Governance and Strategy Committee. This is reviewed and key themes are raised at Council and, where appropriate, an action plan will be developed to address concerns. There has been a lot of work this last year to develop and improve our performance and risk reporting and to begin the process of reviewing our governance and assurance mechanisms in the light of significant recent changes such as the Fundraising Regulator and the introduction of the General Data Protection Regulations (GDPR). Key efforts this year have included:



Performance management

Development of a new Performance Measurement Framework. This has identified the key metrics and data sources to measure our progress against our strategic objectives and the Key Performance Indicators (and additional Performance Indicators). This will provide the Trustees with the key performance information to measure progress against their strategy and to manage the issues, risks and decisions required to deliver it successfully. From 2018/19 the Chief Executive will submit a quarterly performance and risk report to the board of Trustees that identifies and explains performance against this new dashboard of Key Performance Indicators and Performance Indicators. In turn, the Chief Executive and his Senior Leadership Team will use additional metrics from the same framework to review progress against delivery of the annual Executive Plan on a monthly basis.



Risk management

The executive risk management process is well established and provides a useful and important governance tool to identify, assess, mitigate and manage risks before they become issues. The Chief Executive and his Senior Leadership Team consider risk at their monthly meetings. The Trustees consider the key risks faced by the charity on a quarterly basis both in the sub-committees and as a collective board. Directors and their teams discuss and manage risk on a day-to-day basis.

Last year the charity faced two high-level risks, however, as a result of management action and the agreement of the new five-year financial plan, these risks have been reduced.

- the future income risk remains significant but with the new engagement strategy in place and funded it has been reduced as a risk
- GDPR remains a risk but as a result of the preparatory work undertaken and the recruitment of a new Information Governance Officer in hand, this has also been reduced



Compliance

Compliance is about ensuring that we adhere to statutory, regulatory and internal policies, and that we have a framework in place to test this. The charity's Secretariat is responsible to the Chief Executive Officer and Trustees for ensuring that we have the right behaviours and policies in place to operate legally and safely and to confirm that we are complying with the policies. The process of policy review begun in 2017/18 will be continued and completed in 2018/19.

Blind Veterans UK is using the Charity Governance Code as a mechanism to assess objectively the strength and health of the charity's governance. This provides a useful tool for the Trustees and Executive to improve governance standards and our overall effectiveness in delivering our vision, mission and strategic objectives. An initial review has already taken place and showed good compliance and a full assessment will be completed during 2018/19 and will be presented to the Council of Trustees for consideration and further action to strengthen our demonstrable compliance with the Code's seven principles.

There are several key regulatory bodies that the charity is required to conform to and these include the Care Quality Commission, the Care Inspectorate Wales, Information Commissioner's Office, Health and Safety Executive, the Fundraising Regulator, and the Charity Commission, as well as others. In the past year, we have successfully passed all audits undertaken.

There have been no serious notifiable events to the Charity Commission during the last year. The charity is not complacent about this and continues to review its compliance and notification processes to see where they can be further improved. We have an effective and well established safeguarding policy and processes that are well understood and safeguarding activity is managed and monitored in line with statutory legislation and best practice guidance.

All fundraising activities for the charity are carried out by the staff with assistance from our valued volunteers who support specific fundraising events. The charity uses Payroll Giving to provide a flexible scheme which allows anyone who pays UK income tax to give regularly and on a tax free basis. All other fundraising activities are managed by the respective fundraising teams and are monitored by the Fundraising Leadership Team, with overall supervision by the Director of Engagement.

A small number of complaints relating to fundraising activities have been received by the charity during this financial period. The complaints were concerned with frequency of contact. The charity has in place procedures



“Regular, well constituted and effective Executive and Trustee meetings provide for regular holding to account, scrutiny, support and guidance and ensure that decision making is well informed and timely.”

that will be followed in the event of a complaint being received through Customer Care and we are investing in appropriate data protection processes and marketing consent records to ensure our supporters' wishes are honoured.

The charity subscribes to the fundraising standards and code of practice of the Fundraising Regulator, is a member of the Institute of Fundraising and follows guidance issued by the Information Commissioners Office (ICO). We believe we have set appropriate standards for the operation and management of our fundraising activities. In particular, given our purpose, Blind Veterans UK considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or assets.

During the last year, as well as embedding the Code of Fundraising Practice and the new Fundraising Regulator's guidance, the key focus has been on preparing for the General Data Protection Regulations (GDPR) in accordance with the guidance issued by the Information Commissioner's Office as the UK regulator.

This has enabled a fundamental review of our data protection policy and processes to ensure that we are well set for the effective date of GDPR (25 May 2018) but are also able to maintain a process of continual improvement thereafter. The charity has funded a new post of Information Governance Officer who will be recruited and in post during 2018/19. This individual will be the lead for the continued development of data protection as well as the improvement of information management across the charity and assuring compliance.

The charity has issued new, GDPR compliant and transparent, privacy policies on our website. These, along with our revised information processes, make it clear and easy to understand what information we collect, the purpose we need it for, the lawful basis for our processing and what we do with the information and who we share it with. It is also very clear and simple to contact us to manage preferences and to exercise an individual's data rights.

Reserves

The Trustees are responsible for ascertaining whether the funds we hold in reserve are adequate for our ongoing work. To do this, they consider the lifelong support we offer our beneficiaries, as well as the nature and type of reserve assets.

The breakdown of our total Net Assets of £146.8 million is:

- £62.5 million of Restricted reserves.**
These funds are dedicated to our service men and women injured before 2010 whilst serving in the Armed Forces; these are often beneficiaries who require very considerable help over many decades of their lives. These funds are not available for use by our fastest growing segment of beneficiaries for which we aim to double the reach of the charity over the next few years.
- £84.3 million of Unrestricted reserves (after accounting for the pension liability).**
These funds consist of:
 - £42.5 million of operationally committed assets which are beneficiary properties, operational centres and other assets
 - £41.8 million of remaining Unrestricted reserves, which we categorise as the charity’s free reserves

Because of the financial pressures of providing lifetime support for beneficiaries, Trustees consider the target level of free reserves, which are held as investments, should be sufficient to cover the projected financial deficit during the expected average lifetime of the membership (approximately six years). The current level of free liquid reserves should be sufficient to cover the target level.

The charity’s growth ambition will require us to increase fundraising and this is planned as part of our strategy for the next five years. We would expect to fund any shortfall with capital gains on our investments and any surplus capital held in Restricted reserves.

Having reviewed the reserves available and the relevant cash flows, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future and accordingly will continue to adopt the going concern basis in preparing the financial statements. Our goals for growth and improved impact will require additional fundraising and our ability to step up to meet our full ambition will require success in this area.

Further information on the Restricted and Unrestricted reserves is to the right.

Restricted reserves

Total Restricted reserves are £62.5 million, including the Sir Arthur Pearson Fund (£60.7 million), which is restricted for the benefit of beneficiaries blinded during active service on or before 31 March 2010. For some of our younger beneficiaries, this might mean supporting them for over 80 years throughout their life after sight loss. Other Restricted reserves (£1.8 million) relate to unspent donations for projects such as the Life Skills Programme in Llandudno and for specific funds, including the Diana Gubbay Fund for the Blind, which supports emergency service personnel who have suffered sight loss.

Unrestricted reserves

Beneficiaries who have lost their sight after service, and any new beneficiaries who have lost their sight during active service from 1 April 2010, are supported by the Unrestricted fund. Unrestricted reserves help us provide support to those beneficiaries for the rest of their lives. A high proportion of these beneficiaries have age-related sight loss caused by macular degeneration and other conditions. Beneficiaries challenged by sight loss may also have a range of other medical problems in later life. We strive to collaborate with other organisations to provide them with the range of support they need.

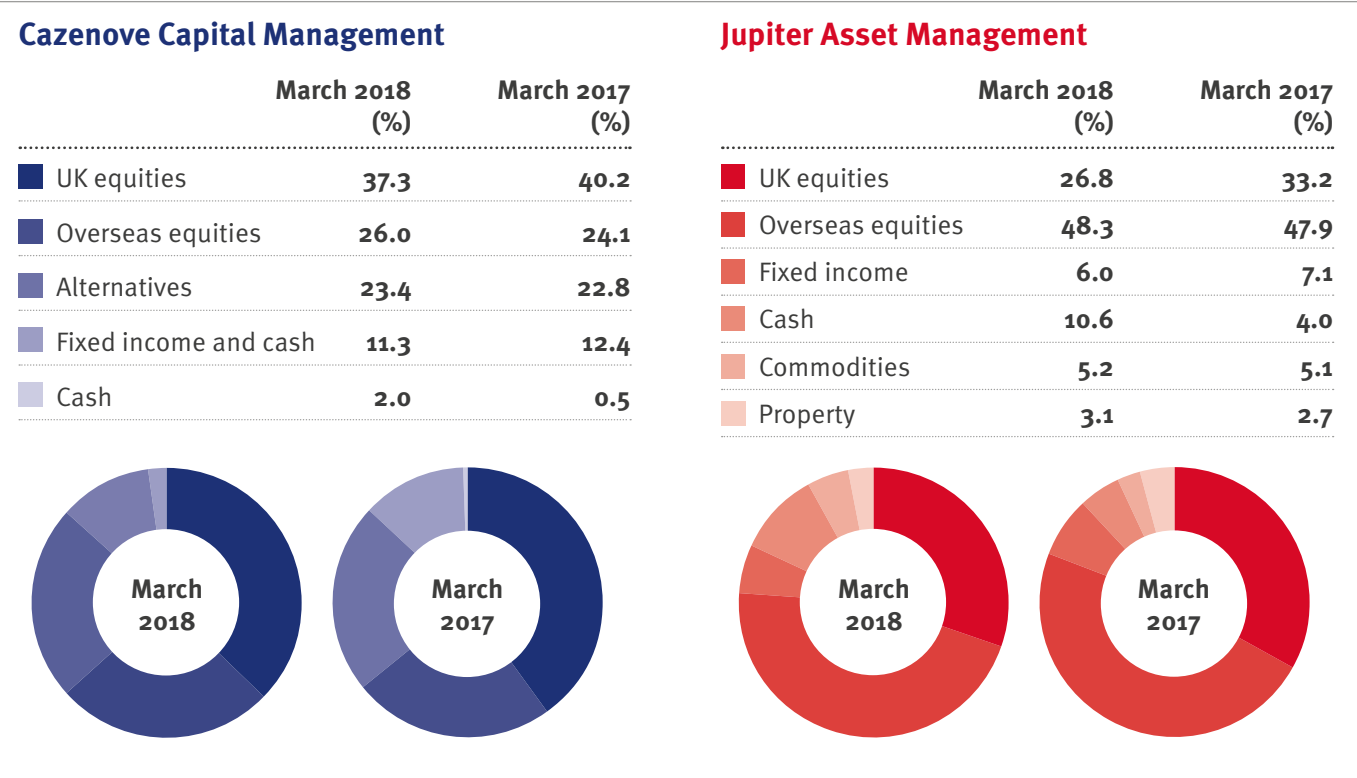
Investments

We have adopted a total return approach for our investment portfolio, with the actual performance measured against agreed benchmarks. The primary aims for our investment managers are to achieve a total return of 3.5 per cent per annum above inflation over the longer term and perform well against the benchmarks. Each year there is a targeted level of investment income for budgeting purposes.

Cazenove Capital Management and Jupiter Asset Management were appointed as investment managers in 2012, with each managing a half of the then existing portfolio. Additionally, Cazenove Capital took over responsibility for administering a small private equity portfolio, although no further commitments are anticipated in this asset class.

During the 12 months to 31 March 2018, the value of the externally managed investment portfolios decreased by £10 million to £79 million, after £0.6 million of net realised and unrealised capital gains, a £9.8 million draw down from the portfolios and the payment of fees (£0.3 million).

At 31 March 2018, the portfolio allocations in institutional funds, with a high degree of liquidity, were as follows:



Since the two investment managers took over the portfolios in 2012, the total returns of the combined portfolios have outperformed the inflation-linked target (CPI + 3.5 per cent) by about 3.6 per cent per annum.

Over the past 12 months to 31 March 2018, the total returns of the two portfolios were Cazenove 0.4 per cent (18.9 per cent last year) and Jupiter 4.0 per cent (18.5 per cent last year). This compares to the ARC Steady Growth index return of 1.3 per cent (15.8 per cent last year) and the inflation-linked target (CPI+3.5 per cent) of 6.0 per cent (5.9 per cent last year).

We hold 69 residential properties as investments. They were almost all originally acquired for beneficiaries to live in. At the year end, they were valued, together with various pieces of land, at £21.2 million (2017: £21.3 million). Two houses from this portfolio were sold during the year for a total of £0.5 million.

The investment properties, together with a further 100 properties that are let temporarily pending use by beneficiaries, generated an income of £1.9 million during the year. We charge market rents and achieve a high level of occupation (occupancy averaged over 98 per cent during the year), while controlling expenditure on outgoings. Last year, the total return from the commercial properties and land let out commercially was 9.6 per cent.

We also hold properties in use, or available for use by beneficiaries with an historic net book value of £19 million (2017: £19.3 million). Gains on the sale of land and property amounted to £1.8 million during the year (2017: £1.3 million).

Organisation structure, governance and management

Blind Veterans UK is incorporated under its memorandum and articles of association originally dated 30 April 1923 and most recently amended on 21 September 2016 (registered charity 216227 in England and Wales and SCO39411 in Scotland). Blind Veterans UK has two fully owned subsidiaries, Blind Veterans UK Trading Limited (registered company in England & Wales No. 06446944) and Four Seasons NWMC Housing Limited (registered company No. 01882050). The charity is also the principal employer for the St Dunstan's Retirement Benefits Plan (1973). A new charitable incorporated organisation called Action Against AMD was set up in November 2016 with three other charities (The Macular Society, Fight for Sight and Scottish War Blinded). Scottish War Blinded joined in February 2018 and all have equal interest.

Public benefit statement

The Trustees have given due consideration to the Charity Commission's published guidelines on the public benefit requirements under the Charities Act 2011.

Structure of the Council of Blind Veterans UK

The Council (Board of Trustees) of Blind Veterans UK normally consists of 14 to 17 Trustees (16 last year), of which three are beneficiary trustees. The Trustees have a variety of skills and backgrounds, with a strong emphasis on experience in the Armed Forces, visual impairment, strategy and finance. We list our Trustees on pages 18–20.

Recruitment and training of Trustees

We recruit our Trustees through a variety of channels, including advertisement and networking. Potential Trustees are interviewed by the Chairman and put forward as a proposal to the nominations committee, which makes its recommendation to the Council by assessing the knowledge, skills and experience of the potential Trustee.

Trustees who are successfully appointed are required to familiarise themselves with the charity's purpose, undertake external training to ensure they are clear about their responsibilities, and attend a committee and Council meeting as an observer.

Trustee meetings

The Council meets quarterly to consider strategic business. It delegates some of its responsibilities to the following committees:

- **Finance committee**
to provide financial overview of the charity on behalf of the Council of Trustees
- **Investment committee**
to maintain the prudent and effective management of the charity's investments and formulate and oversee the investment policies
- **Governance and Strategy committee**
to develop and monitor governance arrangements, to lead the process to develop the charity's strategic vision and goals, and to ensure that appropriate strategic direction is given to the Chief Executive. Overview of the 'research and ethics expert advisory group' and 'research and innovation working group'
- **Service delivery committee**
to provide strategic oversight, scrutiny and guidance on the services delivered to our beneficiaries
- **Engagement committee**
to oversee the development of the fundraising strategy, and to highlight engagement and fundraising issues or opportunities to the Council
- **Nominations committee**
to consider nominations for new members of the Council, taking into full account the charity's requirement for particular skills or qualifications
- **Personnel and remuneration committee.**
to oversee the development of our people strategy and ensure appropriate processes are in place for the handling of all personnel issues. They oversee the remuneration process, advising the Council as required

Employees

Our ability to recruit and retain key staff is critical to the success of our charity. It is our policy to pay competitive and fair salaries in all parts of our organisation. We evaluate all jobs using the Kornferry Job Evaluation system (formerly Hay) and apply median market-related salaries. On occasion, we do need to offer higher than median salaries to recruit people into mission critical roles. We subscribe to external pay datasets as well as undertake our own research to establish appropriate regionalised median market salaries. Further details of our directors' salaries, key management personnel and recent redundancy payments can be found in note 14 on page 36.

The charity has a well-established recruitment process which gives full consideration to applications from disabled persons and to encourage diversity (gender, ethnic, social). In all cases the candidate's particular aptitudes and abilities must be consistent with adequately meeting the requirements of the job. Opportunities are available to all employees for training, career development and promotion. Where existing employees become disabled, it is the charity's policy to provide continuing employment, wherever practicable, in the same or an alternative position, and to provide appropriate training to achieve this aim.

In terms of equality, diversity and disability it is fundamental that people are treated fairly, with respect and dignity. We do not tolerate any discrimination, victimisation or harassment on the grounds of age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

Partnerships

The charity engages with a variety of organisations including trusts and foundations and corporates (for sponsorship, charity of the year and partnership working).

We are working with numerous corporate partners including Annington Homes, Specsavers and Revision Military and many other corporates who fundraise for us and promote employee giving.

As part of our national strategy, we aim to establish more formal partnerships and sponsorships at a national, regional and local level, including charity of the year partnerships to deliver a variety of social, volunteering and training services to our beneficiaries.

With the regional teams in place, we will also develop local and regional partnerships delivering more relevant localised care suitable to community needs.

From a local perspective, we have a historical relationship with Lions Clubs International who are currently raising money to support our Life Skills for Independent Living appeal and woodland workshop in Llandudno along with supporting the charity with volunteers.

The charity is a member of Vision 2020, a network of visual impairment charities, and Cobseo, a network of charities serving the Armed Forces community. By sharing practices and knowledge, membership enables us to learn and develop ideas from other organisations, to provide outstanding care to our veterans.

The charity is also a founding member of Action Against Age-related Macular Degeneration with three other charities (Macular Society, Fight for Sight and Scottish War Blinded). This joint venture is committed to develop and undertake research into the nature, causes, diagnosis, prevention, treatment and cure of age-related macular degeneration.



Blind Veterans UK dignitaries



Patron

Her Royal Highness The Countess of Wessex GCVO

We are proud and honoured that our Patron is Her Royal Highness The Countess of Wessex GCVO. Blind Veterans UK has held Her Royal Highness' patronage since December 2016.



Founder

The late Sir Arthur Pearson Bt GBE

Sir Arthur Pearson founded our charity in 1915, which was originally named The Blinded Soldiers & Sailors After-Care Fund. Arthur Pearson, who went blind through glaucoma, was a newspaper proprietor, owner and founder of the Daily Express and Pearson's Weekly.



President

Colin Williamson

Colin became the sixth President of Blind Veterans UK in 2017. He served in the Royal Artillery as a driver, gunner and signaller, and has been a beneficiary of Blind Veterans UK since 2003 after a serious assault caused his sight loss. He has volunteered and worked for Blind Veterans UK for more than ten years and leads Project Gemini, our exchange programme between blind veterans from the UK, USA and South Africa. By virtue of being President, Colin also serves as a Trustee.

Vice-Presidents

François W Edwards (deceased in April 2018)

Captain Michael C Gordon-Lennox OBE RN

Major General Andrew M Keeling CB CBE

Vice-Patrons

General Sir Peter de la Billière KCB KBE DSO MC DL

Rear Admiral Sir Donald Gosling KCVO

Admiral Sir Jonathon Band GCB DL

General The Lord Richards of Herstmonceux GCB CBE DSO

Air Chief Marshal Sir Joe French KCB CBE

His Royal Highness Prince Pavlos of Greece

Trustees

Air Vice-Marshal Paul Luker CB OBE AFC DL (Chairman)

Paul joined the Council of Blind Veterans UK in 2012 and became our Chairman in 2017. He joined the RAF in 1968, serving until 2006. He trained as a support helicopter pilot and subsequently his flying duties ranged across a wide number of RAF and Army helicopters. After attending the Royal College of Defence Studies, he went on to be Director of Overseas Military Activity at the Ministry of Defence and then Commander of Joint Helicopter Command. From 2006 to 2016 he was CEO of the Council of Reserve Forces' and Cadets' Associations.

Kerry Levins

Kerry was appointed as a Trustee of Blind Veterans UK in 2012. A blind veteran himself, Kerry trained at the Royal Military Academy Sandhurst in 1990 and was commissioned into the Royal Signals in 1991. He served with the Queen's Gurkha Signal Regiment in Hong Kong, Nepal and Brunei. Discharged as a Captain in 1999, Kerry has been a Blind Veterans UK beneficiary since 2010. Having recently secured a law degree, he is now training to qualify as a barrister.

Paul Palmer

Paul was commissioned from the Royal Military Academy Sandhurst in 1972 into the Royal Corps of Transport. His career was spent in the movement of personnel, equipment and ammunition around the world by road, rail, sea and air. He spent two tours of duty in Northern Ireland and served in the Gulf. After leaving the Army he spent the next seven years working in the Middle East before retiring in 2009. He was diagnosed blind due to proliferative diabetic retinopathy in 2010. A blind veteran himself, Paul has been a Trustee since 2012.

Sarah-Lucie Watson

Sarah-Lucie Bashall (née Watson) is a full time ophthalmic surgeon working in the NHS in Berkshire. Her specialist interests include conditions of the retina and cataract surgery and she leads the macula service and is responsible for training junior surgeons. Her clinical role has made her aware of the impact of sight loss as well as being raised by a totally blind mother. Sarah-Lucie is married to an army officer some of whose own men have returned from conflict with life changing injuries.

Ty Platten

Ty is the Chief Executive of Broughton House Veterans Care Charity. Based in the north west, he was formerly Managing Director of Hull based HICA for five years. His career started in London where he trained as a barrister before taking up the role of National Development Manager for Nuffield Hospitals. He was recognised for 'Management Excellence' in the Laing and Buisson Independent Healthcare Awards 2011.

David Turner

David joined the Council of Blind Veterans UK in March 2016. After studying at the College of Estate Management he qualified as a chartered surveyor. He worked in property consultancy before joining the UK board of a listed property development and investment company. Later he joined a leading UK bank where he became CEO of the group's property subsidiary and group Property Director. Post retirement, David has used his general management and property experience through a number of board appointments in the private and public sectors.

Malcolm Cree CBE

Malcolm retired from the Royal Navy in 2016, in the rank of Rear Admiral. He served in all types and sizes of ship, from minehunters to aircraft carriers, and commanded a destroyer, a task group in the Gulf and the Navy's prized operational sea training organisation. He was deployed all over the world and served in the Gulf (Tanker War) and Adriatic. Since retiring, Malcolm has worked for a management consultancy that specialises in decision analysis, and has recently become Chief Executive of the Bar Council.

James Leavesley

A chartered surveyor by profession, James is Chief Executive of JT Leavesley, where he oversees a vast range of commercial activities including the Group's agricultural and property interests. James spent 10 years as vice-chair of the National Memorial Arboretum's fundraising committee during which time the committee secured £15 million of support. He currently chairs the Board of Trustees of the Lichfield Garrick, working to ensure this award winning venue's future financial and artistic sustainability. James is also a member of the Local Enterprise Partnership Board, a Deputy Lieutenant for Staffordshire and, until recently, was a qualified fixed-wing and rotary pilot, despite being partially sighted.

Liz Hunt

Liz is a journalist with more than 25 years of experience working on the frontline of national daily newspapers, including The Independent, The Telegraph, The Daily Mail and The Washington Post in the US. She has been a reporter, specialist health correspondent, feature writer, travel writer, columnist and editor, and a regular contributor to TV and radio. Most recently, she has worked as a senior editor and newspaper executive, and until July 2016 was a Deputy Editor at The Telegraph. Liz is now a Consultant Editor at The Daily Mail.

Sir Mark Poffley OBE

Mark was appointed a Trustee of Blind Veterans UK in March 2017 and is currently a serving Lieutenant General in the Army. Throughout his 32 years of service, he has completed operational tours in the Balkans, the first Gulf War, Afghanistan and most recently in Iraq. A logistician with management account qualifications, he is currently the Deputy Chief of the Defence Staff responsible for delivering the strategic balance of investment for all three armed services.

“The Trustees have a variety of skills and backgrounds, with a strong emphasis on experience in the Armed Forces, visual impairment, strategy and finance.”

Trustees (continued)

Barry Coupe
Barry’s knowledge of Blind Veterans UK goes back as far as he can remember. His father was supported by St Dunstan’s after losing his sight in 1943, while serving in the Royal Navy. After working as a volunteer for the charity for two years, Barry became a trustee in 2017. He also has extensive experience working as a non-executive for charities, as he is one of the founding Trustees of the Children’s Hospices for the Eastern Region. Barry has also served as Chairman of the national charity Dyslexia Action and is an award-winning architect.

Guy Davies
Since leaving the Army, Guy has spent over 20 years as a charity investment manager. He has been a Trustee of ABF The Soldiers’ Charity, is a Trustee of The Army Central Fund, sits on the board of The Armed Forces Common Investment Fund and the management committee of the Charity Investors Group. Guy co-founded Yoke & Co, which offers financial governance advice to charities, and established the Charity Investments Hub, a free and independent website for charities.



Nicky Pulford
Nicky trained as a medical secretary and has spent most of her career working for the NHS, local councils and latterly within the Thames Valley Police Force. She is married to a retired Royal Air Force officer and for the past 35 years has accompanied him around the world. During these years she has been a Vice President of SSAFA and has chaired the RAF High Wycombe SSAFA In-Service Committee. She has served on the RAFA Welfare Committee and has been President of the Air Attache Partners’ Association and the International Club for Air Force Officers’ Wives.

David Buckley
David is a chartered accountant and former senior partner at Ernst & Young, with over 25 years of experience operating at board level. He has been a member of Ernst and Young’s UK & Ireland leadership team and has led businesses through critical transformational change programmes. David’s grandfather and father both served in the armed forces, during the First and Second World Wars respectively. David was a volunteer speaker for Speakers for Schools, a charity that supports state schools to inspire their students and broaden their horizons.

Neelesh Heredia
Neelesh is currently Deputy Chief of Staff in the Office of the Group Chief Executive at HSBC Holdings Plc. Neelesh has been with the HSBC Group since 1989 and has undertaken leadership roles in Latin America, Hong Kong, Indonesia, Mauritius, India and the UK. His extensive experience in financial services has encompassed banking operations, internal audit, human resources, strategy and planning, credit and operational risk management, securities custody & clearing, trade services and retail branch management.

Minoo Sahini Court
Minoo joined as a Trustee in September 2017 and is also chairperson of the investment committee. She is an investment specialist, most recently as an Executive Director at UBS Wealth Management. During her 35 year corporate career, she gained extensive experience in culturally diverse regulatory and operational environments in the UK, US and Middle East. Minoo is also a trustee of My Time Active, a social enterprise with charitable objective that invests in a range of projects and services to meet the needs of local communities.

The following Trustees retired during 2017/18. We would like to thank each of them for their commitment and service:

Tim Davis – retired 19 December 2017
Penny Harris – retired 19 December 2017



Statement of Trustees’ responsibilities

The Trustees (who are also directors of Blind Veterans UK for the purposes of company law) are responsible for preparing the Trustees’ annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

Company law requires the Trustees to prepare financial statements for each financial year. 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 affairs of the charitable company and the group, and of 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 Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business


The Trustees are 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
- enable them to ensure that the financial statements comply with the Companies Act, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity’s constitution

They are also responsible for safeguarding the assets of the charity and the group, which includes taking reasonable steps to prevent and detect fraud and other irregularities.

Insofar as each of the Trustees/directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity’s auditor in connection with preparing the audit report) of which the charity’s auditor is unaware. Each Trustee/director has taken all of the steps that he/she should have taken as a Trustee/director in order to make himself/herself aware of any relevant audit information and to establish that the charity’s auditor is aware of that information.

The report of the Council of Blind Veterans UK and strategic report were approved by the Council on 25 September 2018 and signed on its behalf by the Chairman of the Trustees.


Air Vice-Marshal Paul Luker CB OBE AFC DL
Chairman and Honorary Treasurer

Independent auditor’s report to the members and Trustees of Blind Veterans UK

Opinion

We have audited the financial statements of Blind Veterans UK for the year ended 31 March 2018 which comprise Group Statement of Financial Activities, the Group and Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and the charitable company’s affairs as at 31 March 2018 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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group’s or the charitable company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees’ report, which includes the directors’ report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report included within the Trustees’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report included within the Trustees’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the 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 page 22 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’s or the 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company’s trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.



Mike Hicks
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP Statutory Auditor, London
25 September 2018

Financial statements

Consolidated statement of financial activities (incorporating the income and expenditure account) for the year ended 31 March 2018

	Notes	Sir Arthur Pearson restricted fund £'000	Other restricted funds £'000	Unrestricted fund £'000	2018 Group £'000	2017 Group £'000
Income and endowments from: Donations and legacies						
Donations		–	818	6,133	6,951	7,173
Legacies		–	580	13,951	14,531	13,515
	1f	–	1,398	20,084	21,482	20,688
Charitable activities						
Housing provision		–	–	821	821	874
Care centre fees		67	–	1,614	1,681	1,776
		67	–	2,435	2,502	2,650
Other trading activities						
		–	–	28	28	78
Investment income						
Investment income	2	1,046	18	2,739	3,803	3,776
Social investment income		30	–	–	30	31
		1,076	18	2,739	3,833	3,807
Other income		3	–	1,915	1,918	1,390
Total		1,146	1,416	27,201	29,763	28,613
Expenditure on: Raising funds						
Fundraising/PR costs		–	–	5,168	5,168	5,049
Commercial trading costs		–	–	16	16	96
Investment management		232	–	765	997	1,069
		232	–	5,949	6,181	6,214
Charitable activities						
Independent living assistance		733	125	5,948	6,806	6,356
Housing provision		1,309	–	837	2,146	2,275
Welfare services		271	322	6,187	6,780	5,766
Care centre activities		501	703	11,327	12,531	13,443
Recruitment and services		–	–	1,695	1,695	2,165
		2,814	1,150	25,994	29,958	30,005
Total	4	3,046	1,150	31,943	36,139	36,219
Net operating expenditure		(1,900)	266	(4,742)	(6,376)	(7,606)
Net gains/(losses) on investments						
Unrealised gains/(losses) on investments		(129)	–	267	138	11,256
Realised gains/(losses) on investments		250	(15)	283	518	3,342
		121	(15)	550	656	14,598
		(1,779)	251	(4,192)	(5,720)	6,992
Net income/(expenditure)						
Transfer between funds	11	–	(36)	36	–	–
Other recognised gains and losses						
Pension scheme actuarial (loss)/gain	15	–	–	212	212	(4,883)
		(1,779)	215	(3,944)	(5,508)	2,109
Reconciliation of funds						
Fund balance brought forward at 31 March 2017		62,508	1,563	88,251	152,322	150,213
Fund balance carried forward at 31 March 2018	11	60,729	1,778	84,307	146,814	152,322

Consolidated balance sheet for the year ended 31 March 2018


	Note	Charity 2018 £'000	Group 2018 £'000	Charity 2017 £'000	Group 2017 £'000
Fixed assets					
Tangible assets	6	42,545	42,545	43,126	43,126
Investments	7	101,336	101,336	111,402	111,402
		143,881	143,881	154,528	154,528
Current assets					
Debtors	8	10,871	10,848	8,392	8,319
Cash at bank		12,209	12,275	11,143	11,163
		23,080	23,123	19,535	19,482
Current Liabilities					
Creditors, amounts falling due within one year	9	(2,533)	(2,595)	(3,417)	(3,395)
		20,547	20,528	16,118	16,087
Net current assets					
		164,428	164,409	170,646	170,615
Total assets less current liabilities					
Non-current liabilities					
Pension scheme liability	15	(17,595)	(17,595)	(18,293)	(18,293)
		146,833	146,814	152,353	152,322
Total net assets					
Represented by:					
Sir Arthur Pearson Restricted Fund	10–13	60,729	60,729	62,508	62,508
Other restricted funds	10–13	1,778	1,778	1,563	1,563
Unrestricted fund	10–13	101,921	101,902	106,575	106,544
Pension reserve	10–13	(17,595)	(17,595)	(18,293)	(18,293)
Total charity funds		146,833	146,814	152,353	152,322

The profit for the financial year dealt with in the financial statements of the parent company was £5.5million (2017; £2.1 million)

Company number: 189648, registered in England.

The notes on pages 27 to 41 form part of these financial statements.

These financial statements were approved by the Council of Blind Veterans UK on 25 September 2018 and signed on its behalf.



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Air Vice-Marshal Paul Luker CB OBE AFC DL
Chairman and Honorary Treasurer

Consolidated statement of cash flow for the year ended 31 March 2018

	Notes	2018 Funds £'000	2017 Funds £'000
Cash flow from operating activities:			
Net cash used in operating activities	(a)	(12,839)	(9,814)
Cash flow from investing activities			
Interest received from investments		3,833	3,807
Proceeds from sale of properties, plant and equipment		2,537	1,747
Purchase of property, plant and equipment		(2,223)	(3,525)
Proceeds from sales of investments		614	1,773
Drawdown from investment portfolio		9,750	14,000
Mortgage redemption		42	176
Amount (paid)/received on behalf of Action Against AMD from others		(100)	100
Additional pension contributions net of interest received		(486)	11
Others		(16)	52
Net cash used in investing activities		13,951	18,141
Change in cash and cash equivalent in reporting period		1,112	8,327
Cash and cash equivalent at the beginning of the reporting period	(b)	11,163	2,836
Cash and cash equivalent at the end of the reporting period	(b)	12,275	11,163

Notes to cashflow statement

	2018 £'000	2017 £'000
(a) Reconciliation of net expenditure to net cash flow from operating activities		
Net expenditure for the reporting period	(5,720)	6,992
Adjustment for:		
Gains on sale of properties no longer held for charitable purpose	(1,785)	(1,273)
Gains on investments	(518)	(3,342)
Unrealised gains on investments	(138)	(11,256)
Proceeds from investments	(3,833)	(3,807)
Depreciation	2,239	2,200
Investment fees charged directly to portfolio	292	344
Decrease/(increase) in debtors	(2,451)	(545)
Increase in creditors < 1 year	(876)	914
Legacy received in shares	–	(20)
Net (gain)/loss on sale of fixed assets	(49)	(21)
Net cash outflow from charitable activities	(12,839)	(9,814)
(b) Analysis of cash and cash equivalent		
Cash at bank as at 1 April 2017	11,163	2,836
Net cash inflow/(outflow)	1,112	8,327
Cash at bank as at 31 March 2018	12,275	11,163

Notes to the accounts

1 Accounting policies

a) **Company status**
Blind Veterans UK is a company limited by guarantee No.189648 (registered charity 216227 in England and Wales and SC039411 in Scotland). The members of the company are the Trustees, who are also ordinary members and named on pages 18-20. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. Blind Veterans UK meets the definition of a public benefit entity under FRS 102.

b) **Basis of preparation**
The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with FRS 102 and UK Generally Accepted Practice, as it applies from 1 January 2016. They also comply with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 [the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006].

c) **Basis of consolidation**
Blind Veterans Trading Limited is a private limited company incorporated in the UK (company registration number: 06446944). The financial statements consolidate the results of the charity and its subsidiary undertaking on a line by line basis.
Four Seasons NWMC Housing Limited is a private limited company incorporated in the UK (company registration number: 01882050). This company has not been consolidated, as it is not considered material to the group.

Action Against AMD is a charitable incorporated organisation set up on 16 November 2016 (charity registration number: 1170224). It is set up as a joint venture between Blind Veterans UK; Fight for Sight, the Macular Society and Scottish War Blinded (joined February 2018) to which each entity will commit to supporting Action Against AMD with funds to undertake research. The legal form of this arrangement as noted is one of a joint venture, but the substance of the funding agreement does not align to that of a traditional joint venture as it has been constructed as an agreement underpinned by four parties to fund a specific area of research. Amounts committed under the founding agreement are decided upon annually and once committed are therefore treated as grants in the financial statements of Blind Veterans UK. The nature of the relationship will be kept under review, but at present the arrangement is not accounted for as a joint venture.

Each of the founding charities has undertaken to fund Action Against AMD for amounts up to £250,000 over the next three years. As at 31 March 2018, an amount of £100,000 had been granted by Blind Veterans UK. Action Against AMD has the objective of securing substantial donations to be invested in medical research into practical applications for the prevention, treatment and cure of age-related macular degeneration.

d) **Going concern**
After making enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements, as outlined in the statement of Trustees' responsibilities on page 21.

e) **Fund accounting**
The restricted fund comprises the Sir Arthur Pearson Restricted Fund, the Diana Gubbay Trust for the Blind (for blinded emergency services personnel), the Llandudno Capital Fund and a number of smaller funds. The restricted fund must provide sufficient support to allow for lifelong care to war blinded beneficiaries as at 31 March 2010. The unrestricted reserves are for all beneficiaries including war-blinded beneficiaries admitted after 31 March 2010 and those who served in Her Majesty's Armed Forces and have subsequently lost their sight.

f) **Incoming resources**
Donations, legacy income, investment income, mortgage interest, rents and accommodation charges are dealt with on an accruals basis. All legacies where probate has been granted are reflected in the accounts. Donation income is credited to the statement of financial activities in the year in which it is received.

g) **Resources expended**
All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Raising funds
This comprises the costs associated with donations, legacy income and investment income, and includes fundraising costs, publicity costs and investment management fees.

Charitable expenditure
The expenditure relating to housing provision, independent living assistance, welfare services, rehabilitation and training and care centre costs is determined by reference to appropriate cost centres. Areas of shared cost are allocated based on staff time and the use of the assets concerned. Grants payable are based on amounts paid or due to individual beneficiaries.

Support costs comprise expenditure incurred in providing administrative and financial services in support of the charitable expenditure above and are allocated across the categories of charitable expenditure, governance cost and the cost of generating funds. The basis of the cost allocation has been explained in Note 5 to the accounts.

Irrecoverable VAT is included with the item of expense to which it relates and is charged to the statement of financial activity.

- h)

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £5,000 are capitalised and depreciated on a straight-line basis to write off the cost over their expected useful lives at the following rates:

Freehold and long leasehold buildings:

Beneficiaries’ property	2% pa	Headquarters	3% pa
Brighton centre	2–4% pa	Llandudno centre	2% pa
Computers, furniture and equipment	20–33% pa	Motor vehicles	12.5–20% pa
Property improvements	5–10% pa		
- i)

Investments

Investments are included in the balance sheet at market value. Realised investment gains and losses represent the difference between the market value of the investments at the beginning of the period, or the cost if purchased during the period, and the sale proceeds. The charity retains certain properties, formerly occupied and vacated by beneficiaries, wherever the opportunity is available for letting on terms which produce a suitable return to the charity. These properties are shown as investment properties.
- j)

Pensions

Blind Veterans UK contributes to a defined benefits pension scheme providing benefits based on final pensionable salary; this scheme was closed to new members on 30 September 2007 and was closed to further accruals for staff pension benefits on 31 March 2016. Pensionable contributions are paid into the scheme in accordance with the recommendations of actuaries.

The assets of the scheme are held separately from those of the charity.

Pension costs are charged to the statement of financial activities on a basis that spreads the expected cost of providing pensions over the employees’ working lives with Blind Veterans UK. Actuarial gains and losses arising are recognised on the statement of financial activity under the heading Pension scheme actuarial gain/(loss). Disclosures have been made in Note 15 in accordance with FRS 102.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after "net income(expenditure)" for the year.

As detailed in note 15, pension scheme assets are measured at market value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately under “non-current liabilities” on the face of the balance sheet.
- k)

Volunteers

During the past year, Blind Veterans UK benefitted from the contribution of unpaid volunteers. The activities carried out by these volunteers predominantly include assisting in the centres, fundraising, visiting beneficiaries in their own homes, helping to organise lunch clubs and assisting with social activities in local communities. This contribution has not been included in the accounts in accordance with the SORP, due to the absence of any reliable measurement basis. Further information on volunteers is included in Note 14f to the financial statements.
- l)

Financial instruments

Blind Veterans UK holds only financial assets and liabilities of a kind that qualify as basic financial instruments. These financial instruments are recognised initially at their transaction values and measured subsequently at their settlement values. (Reference: Note 18)

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdraft, trade and other creditors.

Investments held as part of a portfolio are recorded at fair value at the balance sheet date, with gains and losses being recognised in the SOFA. Investments in subsidiary undertakings are held at cost less impairment.
- m)

Estimation uncertainty

In the application of the charity’s accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant.

The key source of estimation uncertainty that has an effect on the amounts recognised in the financial statements is the determination of the pension scheme liability. The assumptions used in the determination of the liability are summarised in Note 15.

2 Investment income

	2018 £’000	2017 £’000
Listed investments	1,901	1,976
Unlisted investments	1	7
Deposit interest	36	8
Rent on investment properties	1,865	1,785
	3,803	3,776

3 Governance costs (included within support costs, Note 5)

	2018 £’000	2017 £’000
Includes:	50	49
Auditors’ remuneration – Audit fee	16	15
– Other costs		
Expenses reimbursed to nine (2017 – nine) council members	4	4

4 Total resources expended

	Direct costs £’000	Depreciation £’000	Other £’000	Group 2018 £’000	Group 2017 £’000
Cost of generating funds					
Fundraising costs	2,472	9	2,687	5,168	5,049
Commercial trading costs	–	–	16	16	96
Investment management costs	431	–	566	997	1,069
	2,903	9	3,269	6,181	6,214
Charitable expenditure					
Independent living assistance	2,855	346	3,605	6,806	6,356
Housing provision	685	839	622	2,146	2,275
Welfare services	4,810	173	1,797	6,780	5,766
Care centre activities	7,459	346	4,726	12,531	13,443
Beneficiary recruitment and services	36	71	1,588	1,695	2,165
	15,845	1,775	12,338	29,958	30,005
Total resources expended	18,748	1,784	15,607	36,139	36,219
Included in the above are support costs of:	4,017	456	2,460	6,933	7,395

5 Support costs

	Fundraising costs £'000	Investment management £'000	Independent living assistance £'000	Housing provision £'000	Welfare service £'000	Nursing and residential care £'000	Other expenditure £'000	Group 2018 Total £'000	Group 2017 Total £'000
Salary, NIC, pension	448	70	775	53	747	1,888	36	4,017	4,340
Other administration	100	16	173	12	168	420	8	897	1,779
Agency staff	–	–	–	–	–	1	–	1	–
Information systems	57	9	98	7	94	238	5	508	19
Depreciation	51	8	88	6	85	214	4	456	461
Insurance	14	2	25	2	24	61	1	129	121
Selection and recruitment	22	4	39	3	37	93	2	200	99
Staff training	24	4	41	3	40	102	2	216	53
Catering	5	1	8	1	8	19	–	42	8
Pension scheme administration	20	3	35	2	33	84	2	179	–
Equipment	5	1	8	1	8	20	–	43	262
Premises	28	4	47	3	46	115	2	245	253
Total support costs	774	122	1,337	93	1,290	3,255	62	6,933	7,395

Support costs are allocated on the basis of head count of staff within each category, except for depreciation, which is allocated based on charitable expenditure split of depreciation costs.

6 Tangible fixed assets

	Freehold properties £'000	Long leasehold properties £'000	Computers, furniture, equipment and vehicles £'000	2018 Total £'000
Cost or valuation at 1 April 2017	55,960	2,874	8,859	67,693
Additions	1,548	–	674	2,222
Disposals of properties no longer held for charitable purposes	(834)	(110)	(886)	(1,830)
At 31 March 2018	56,674	2,764	8,647	68,085
Depreciation at 1 April 2017	16,079	1,396	7,092	24,567
Charge for current year	1,438	44	758	2,240
Disposals of properties no longer held for charitable purpose	(331)	(61)	(875)	(1,267)
At 31 March 2018	17,186	1,379	6,975	25,540
Net book value				
At 31 March 2018	39,488	1,385	1,672	42,545
At 31 March 2017	39,881	1,478	1,767	43,126

Tangible fixed assets (at net book value) comprise:

	2018 £'000	2017 £'000
Properties for occupation by beneficiaries	19,040	19,353
Brighton centre	7,532	7,425
Llandudno centre	11,922	12,121
London headquarters	2,377	2,460
Computers, furniture, equipment and motor vehicles	1,674	1,767
	42,545	43,126

The book value of the freehold property at 12–14 Harcourt Street of £1.6 million, which is based on the revaluation made as at 5 September 1996, has been adopted as the deemed ‘historical cost’.

7 Investments

	2018 £'000	2017 £'000
Balance at 1 April 2017	111,402	112,599
Unrealised gain/(loss)	139	11,791
Realised gain/(loss)	454	3,216
Investment management fees paid directly from portfolio	(292)	(344)
Sale of investment properties	(513)	(1,825)
Drawdown from investment portfolio	(9,750)	(14,000)
Purchase of investments	13	20
Mortgage redemption	(15)	(54)
Sale of other listed investments	(102)	–
Balance at 31 March 2018	101,336	111,402

	2018 £'000	2017 £'000
Being:		
Listed investments	78,071	86,916
Unlisted investments	1,023	2,089
Beneficiary mortgages	1,088	1,103
Investment properties	21,154	21,294
Balance at 31 March 2018	101,336	111,402

The cost of UK listed investments at 31 March 2018 was £72.3 million (2017: £74 million), unlisted investments £1.8 million (2017: £1.8 million) and investment properties £3.7 million (2017: £3.5 million).

Independent (external) valuations for each investment property are obtained from registered chartered surveyors on an existing-use basis every five years (20 per cent of investment properties held are valued independently each year on a rotation basis). The remaining investment properties have been valued on an existing-use basis by chartered surveyors who are employees of the charity, under the supervision of Mr Michael Summers, Head of Estates.

Blind Veterans UK subscribed to the Memorandum of Association of Blind Veterans Trading Limited (a company limited by guarantee, registered address 12-14 Harcourt Street, London, W1H 4HD) on its incorporation on 6 December 2007. The company’s profit and loss account and balance sheet is included in the consolidated accounts. The individual company’s profit and loss account and balance sheet for the year ended 31 March 2018 are:

Blind Veterans Trading Limited

Profit and loss account	2018 £'000	Balance sheet	2018 £'000
Building contract income and commission	–	Current assets	67
Sponsorship	17		
Sales	1	Creditors	(87)
Other	10		
Less: Cost of sales	(8)		
Gross trading profit	20	Net current assets	(20)
		Net assets	(20)
Other fees and expenses	(8)		
Operating loss before interest	12	Share capital	
		Loss for the year	(20)
Interest	–	Retained earnings	(20)
Loss on ordinary activities before taxation	12		
Taxation	–		
Loss for the year	12		

Blind Veterans UK purchased the interests of Four Seasons NWMC Housing Limited in May 2008 (registered address 12–14 Harcourt Street, London, W1H 4HD). The company’s profit and loss account and balance sheet for the year ended 31 March 2018 are:

Four Seasons NWMC Housing Limited

Profit and loss account	2018 £'000	Balance sheet	2018 £'000
Service charges, sales and ground rents	103	Current assets	42
Less: Cost of sales	(95)	Creditors	(38)
Gross profit	8	Net current assets	4
Other fees and expenses	(8)	Provision for property management commitments	(2)
Operating profit before interest	–	Net assets	2
Interest	–	Shareholders funds	2
Profit on ordinary activities before taxation	–		
Taxation	–		
Profit (loss) for the year	–		

8 Debtors

	Ref	Charity 2018 £'000	Group 2018 £'000	Charity 2017 £'000	Group 2017 £'000
Legacies receivable	i	8,287	8,287	5,581	5,581
Amount due from subsidiary undertakings	ii	57	31	101	26
Accrued income		150	150	224	224
Prepayments		320	320	405	405
Gift Aid receivable		108	108	117	117
Loans and stock		29	29	27	27
Other		363	366	268	270
VAT receivable		57	57	19	19
Sale of Sheffield building	iii	1,500	1,500	1,650	1,650
		10,871	10,848	8,392	8,319

- i) The charity was notified in the 1990s of a substantial legacy of £8 million, which has not been included in the accounts, as there is a life interest in the income from the legacy investment.
- ii) As at 31 March 2018, amounts due to/from related parties: Blind Veterans Trading is net £26,000 due from Blind Veterans UK (2017: £44,000 due to Blind Veterans UK). Four Seasons NWMC Housing Ltd is net £31,000 due to Blind Veterans UK (2017: £26,000).
- iii) Sale of the Sheffield building has been proposed at £1.5 million.

9 Creditors: Amounts falling due within one year

	Charity 2018 £'000	Group 2018 £'000	Charity 2017 £'000	Group 2017 £'000
Taxes and social security	415	415	394	396
Creditors	1,362	1,424	1,045	928
Deferred Income	25	25	122	122
Accruals	731	731	1,856	1,949
	2,533	2,595	3,417	3,395

Deferred income represents income relating to future events and multi-year contract payments paid in advance.

10 Fund accounts as at 31 March 2017

	Movement in funds					Charity 2017 £'000	Group 2017 £'000
	31 March 2016 £'000	Incoming resources £'000	Net gains less expend. £'000	Sub total £'000	Transfer from restricted fund £'000		
Sir Arthur Pearson Restricted Fund	56,669	1,193	4,646	62,508	–	62,508	62,508
Other restricted funds							
Diana Gubbay Trust for the Blind	299	6	19	324	–	324	324
Doris Scupham Trust	114	–	12	126	–	126	126
Geoffrey Wilmore Trust	152	4	(3)	153	–	153	153
Capital fund	858	95	–	953	(826)	127	127
Other	502	788	(457)	833	–	833	833
Total other restricted funds	1,925	893	(429)	2,389	(826)	1,563	1,563
Unrestricted fund	105,031	25,142	(24,424)	105,749	826	106,575	106,544
Pension reserve	(13,399)	–	(4,894)	(18,293)	–	(18,293)	(18,293)
Total	150,226	27,228	(25,101)	152,353	–	152,353	152,322

11 Fund accounts as at 31 March 2018

	Movement in funds					Charity 2018 £'000	Group 2018 £'000
	31 March 2017 £'000	Incoming resources £'000	Net gains less expend. £'000	Sub total £'000	Transfer from restricted fund £'000		
Sir Arthur Pearson Restricted Fund	62,508	1,146	(2,925)	60,729	–	60,729	60,729
Other restricted funds							
Diana Gubbay Trust for the Blind	324	6	(6)	324	–	324	324
Doris Scupham Trust	126	–	(3)	123	–	123	123
Geoffrey Wilmore Trust	153	4	7	164	–	164	164
Capital fund	127	121	(52)	196	–	196	196
Other	833	1327	(1,153)	1,007	(36)	971	971
Total other restricted funds	1,563	1,458	(1,207)	1,814	(36)	1,778	1,778
Unrestricted fund	106,575	25,286	(29,976)	101,885	36	101,921	101,902
Pension reserve	(18,293)	–	698	(17,595)	–	(17,595)	(17,595)
Total	152,353	27,890	(33,410)	146,833	–	146,833	146,814

The Diana Gubbay Trust for the Blind is administered by Blind Veterans UK to provide relief to former emergency services personnel blinded on duty.

Income from the Doris Scupham Trust is used to support war-blinded members at our centres.

Geoffrey Wilmore Trust is restricted to members and used to support an individual undertaking an international sporting pursuit or training that could lead to participation in an international event.

The capital fund is made up of capital raised for our Life Skills centre in Llandudno (£o.1 million) and other small capital appeal items.

Other restricted funds include endowments held within our investment portfolio, which are restricted for a particular purpose, as well as other small restricted funds. None of which are material and therefore not separately specified.

Transfers represent a mix of acquisitions, disposals and depreciation during the year which has been subsequently released into general expenditure for future use.

12 Analysis of net assets between funds as at 31 March 2017

	Sir Arthur Pearson restricted £'000	Other restricted £'000	Unrestricted £'000	Pension reserve £'000	Total unrestricted £'000	Total charity funds £'000
Fund balances at 31 March 2017 are represented by:						
Tangible fixed assets	-	-	43,126	-	43,126	43,126
Investments	62,508	744	48,150	-	48,150	111,402
Net current assets	-	819	15,299	-	15,299	16,118
Non-current liabilities	-	-	-	(18,293)	(18,293)	(18,293)
Total net assets	62,508	1,563	106,575	(18,293)	88,282	152,353

13 Analysis of net assets between funds as at 31 March 2018

	Sir Arthur Pearson restricted £'000	Other restricted £'000	Unrestricted £'000	Pension reserve £'000	Total unrestricted £'000	Total charity funds £'000
Fund balances at 31 March 2018 are represented by:						
Tangible fixed assets	–	–	42,545	–	42,545	42,545
Investments	60,729	744	39,863	–	39,863	101,336
Net current assets	–	1,034	19,513	–	19,513	20,547
Non-current liabilities	–	–	–	(17,595)	(17,595)	(17,595)
Total net assets	60,729	1,778	101,921	(17,595)	84,326	146,833

14 Employee information and staff costs

	Group 2018 No.	Group 2017 No.
(a) Average full-time equivalent and headcount		
The monthly average number of equivalent full-time persons employed by Blind Veterans UK during the year	469	446
The monthly average headcount of persons employed by Blind Veterans UK during the year	506	537
Note : Year on year increase is partly driven by the overlap during the transition period and partly due to the creation of new roles within the engagement team.		
(a) Expenditure includes the following staff costs:	£'000	£'000
Wages and salaries paid to employees	14,736	14,690
Employer's national insurance contributions	1,376	1,360
Employer's pension costs	2,207	2,011
	18,319	18,061
(c) Trustee remuneration and expenses:	Group 2018 £'000	Group 2017 £'000
Total expenses reimbursed for travel and accommodation for nine Trustees (2016/17 – nine).	4	4
No Trustee received emoluments for any employed services.		
There were no other transactions with Trustees in the year.		
(d) Redundancy and termination payments:		
Following a review of the organisation and its structure, £502,163 was incurred for redundancy and settlements (2017: £1,093,655). £440,663 was paid during the year (2017: £54,245) and £61,500 was accrued at the year end (2017: £1,039,410).		
(e) Higher-paid employees (excluding employers' NI):	2018 No.	2017 No.
Employee received emoluments within the band £120,001 to £130,000	1	1
Employee received emoluments within the band £90,001 to £100,000	2	1
Employees received emoluments within the band £80,001 to £90,000	1	–
Employee(s) received emoluments within the band £70,001 to £80,000	6	3
Employees received emoluments within the band £60,001 to £70,000	6	4
(f) Volunteers and donations of services:	2018	2017
At 31 March 2018 we had 735 active volunteers (2017: 600). Being analysed as follows:		
Fundraising volunteers	108	84
Non-direct support volunteers (administration)	42	44
Events volunteers (ski club and Cenotaph escorts)	66	72
Direct beneficiary support volunteers	519	400
	735	600
Total volunteer hours gifted	38,175	29,524
Average wage (1.5% increase on 16/17)	@ £13.81	@ £13.61
Value	£527,197	£401,822

(g) Key management personnel:

Blind Veterans UK considers its key management personnel to be the seven Directors that make up the Senior Leadership Team (Nine in 2016/17). It consists of the Chief Executive, Director of Resources, Chief of Staff, Director of Operations West, Director of Operations East, Director of Engagement and Director of People Services. The total employee benefits of these key management personnel were £637,000 in 2017/18 (2016/17 – £910,000 for nine Directors) including employer's national insurance contributions.

15 Staff retirement benefit scheme

Blind Veterans UK operates a contributory pension scheme which provides benefits based on final pensionable pay. This scheme was closed to new members on 30 September 2007. The assets of the scheme are held separately from those of Blind Veterans UK and are administered by a separate board of Trustees. The pension fund holds a charge over the charity's property at Brighton to the amount of £5 million. The scheme was closed to further accruals for staff pension benefits on 31 March 2016.

An actuarial valuation was carried out at 1 April 2016. The results of that valuation have been projected to 31 March 2018 and then recalculated based on the following assumptions:

	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Salary increases	2.66%	2.74%	2.45%	2.40%	2.90%
Increases to pension in payment					
– Pre April 1997	3.00%	3.00%	3.00%	3.00%	3.00%
– Post April 1997	3.41%	3.73%	3.60%	3.60%	3.60%
Liability discount rate	2.60%	2.62%	3.54%	3.30%	4.50%
Inflation	3.36%	3.44%	3.15%	3.10%	3.60%
Revaluation of deferred pensions	2.66%	2.74%	2.45%	2.40%	2.90%

The assets in the scheme and the expected rate of return were:

	Value at 31 March 2018 £'000s	Value at 31 March 2017 £'000s	Value at 31 March 2016 £'000s
Equities	23,283	24,709	20,502
Bonds	5,043	10,197	9,364
Property	7,565	1,606	1,921
Alternatives	3,167	2,391	2,625
Cash	388	264	696
Total market value of assets	39,446	39,167	35,108

The liabilities are determined using the projected unit method. Under the projected unit method, the current service costs will increase as the members of the scheme approach retirement. The mortality assumption used was the SAPS S2PxA tables.

On this basis, the balance sheet figures in respect of the scheme at 31 March 2018 are as follows:

	31 March 2018 £'000s	31 March 2017 £'000s	31 March 2016 £'000s	31 March 2015 £'000s	31 March 2014 £'000s
Market value of assets	39,446	39,167	35,108	35,645	31,800
Value of accrued liabilities	(57,041)	(57,460)	(48,507)	(49,051)	(41,157)
Deficit	(17,595)	(18,293)	(13,399)	(13,406)	(9,357)

The actuary has excluded from both assets and liabilities items which have a neutral effect on the scheme’s financial position, ie additional voluntary contributions, annuities secured in respect of pensions in payment and insurance contracts for death in service benefits.

Analysis of charge to the statement of financial activities over the financial year

	2018 £'000s	2017 £'000s
Operating charge		
Current service cost	–	–
Administration expenses	1	25
Net interest	467	467
Total operating charge	468	492

Gains and losses included within the statement of financial activities

	2018 £'000s	2017 £'000s
Return on scheme (excluding amount included in net interest expenses)	93	3,841
Experience gain/(loss) arising on the scheme liabilities	120	(8,699)
Administration expenses	(1)	(25)
Total	212	(4,883)

Balance sheet surplus/(deficit) figures during the year

	2018 £'000s	2017 £'000s
Deficit in scheme at 31 March 2017	(18,293)	(13,399)
Movement in year:		
Current service cost	–	–
Administration expenses	(1)	(25)
Net interest/return on assets	(374)	3,374
Contributions	953	456
Actuarial gain/(loss)	120	(8,699)
Deficit in scheme at 31 March 2018	(17,595)	(18,293)

During the year, employer contributions have been paid at the rate of 15 per cent of pensionable pay (2017: 15 per cent), as well as an additional employer contribution amount of £531,000. Active members contribute at the rate of 5 per cent of pensionable pay (2017: 5 per cent).

From 1 October 2007, Blind Veterans UK has operated a Group Personal Pension Plan (GPPP) with Friends Provident for staff commencing after this date. The Friends Provident GPPP is government registered and meets all legislative requirements. The plan enables each employee to build up an individual pension fund in their own name, making their own choice about how much they contribute. Staff who join are not required to make contributions, but Blind Veterans UK matches any contributions made according to a defined contributions table. The money in the fund is invested on the employee’s behalf, and when they retire the fund is used to buy their pension. Part of the fund may also be used to provide a tax-free lump sum.

16 Capital commitments

No capital commitments existed as at 31 March 2018 (2017: £0 million).

17 Related parties

As stated in Note 8, the charity has two subsidiary companies and a joint venture. During the year, the following transactions took place between Blind Veterans UK and its subsidiaries:

Subsidiary	Balance as at 31 March 2017	Transaction type					Balance as at 31 March 2018
		*Recharges	Payments received	Gift Aid in the year	Mgt fee	**Other	
Blind Veterans Trading – Gift Aid	–						–
Blind Veterans Trading – Other	44,247	2,423	(28,296)		3,000	5,013	26,387
	44,247						26,387
Four Seasons NWMC Housing Ltd – Gift Aid	962		(962)	901			901
Four Seasons NWMC Housing Ltd – Other	24,739	4,656	(7,962)			8,296	29,729
	25,701						30,630

* Recharges includes payroll and insurance costs (trading recharges include build costs paid by the charity).

** Other includes audit, tax and filing fees.

At 31 March 2018, the following intercompany balances were outstanding between the charity and its subsidiaries:

	2018 £'000	2017 £'000
Blind Veterans Trading – Gift Aid	–	–
Blind Veterans Trading – Other	26	44
	26	44
Four Seasons NWMC Housing Limited – Gift Aid	1	1
Four Seasons NWMC Housing Limited – Other	30	25
	31	26

As stated in the basis of preparation of group accounts, Four Seasons NWMC Housing Limited

In 2017 £100,000 was received from the Macular Society. These funds represent initial grant funding by the Macular Society to Action Against AMD and were paid over to Action Against AMD in 2018. During 2018 Blind Veterans UK also made a grant to Action Against AMD of £100,000. At the year-end £150,000 was accrued as owing to Action Against AMD.

During the year, an advisor to the Council was employed by Cazenove Capital Management, who manage part of the charity’s investments. Fees paid to Cazenove Capital Management during the year were £141,924 (2016/17: £154,551), of which £41,250 was outstanding at the year end (2016/17: £41,250).

18 Financial instruments

The charity has certain financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Certain other financial instruments are held at fair value, with gains and losses being recognised within income and expenditure.

	2018 £'000s	2017 £'000s
Financial assets measured at fair value through profit or loss		
Investments	80,182	90,108
Financial assets measured at amortised cost		
Cash at bank and in hand	12,275	11,163
Amounts owed by group undertakings	31	31
Other debtors	10,741	8,311
Financial liabilities measured at amortised cost		
Other creditors	2,457	3,411

19 Leases

At the year end, the charity held rental leases on its investment properties under which payments are receivable until lease expiry or for the minimum period before the leases are cancellable as follows:

	2018 £'000s	2017 £'000s
Within one year	292	311

20 Comparative statement of financial activities for year ended 31 March 2017

	Notes	Sir Arthur Pearson restricted fund £'000	Other restricted funds £'000	Unrestricted fund £'000	2017 Group £'000	2016 Group £'000
Income and endowments from:						
Donations and legacies						
Donations		–	784	6,389	7,173	7,737
Legacies		–	90	13,425	13,515	12,751
	1f	–	874	19,814	20,688	20,488
Charitable activities						
Housing provision		–	–	874	874	928
Care centre fees		71	–	1,705	1,776	1,855
		71	–	2,579	2,650	2,783
Other trading activities						
		–	–	78	78	194
Investment income						
Investment income	2	1,087	18	2,671	3,776	3,612
Social investment income		31	–	–	31	33
		1,118	18	2,671	3,807	3,645
Other income						
		4	–	1,386	1,390	715
Total income and endowments		1,193	892	26,528	28,613	27,825
Expenditure on: Raising funds						
Fundraising/PR costs		–	–	5,049	5,049	5,570
Commercial trading costs		–	–	96	96	207
Investment management		74	–	995	1,069	1,016
		74	–	6,140	6,214	6,793
Charitable activities						
Independent living assistance		755	90	5,511	6,356	6,103
Housing provision		1,297	8	970	2,275	2,409
Welfare services		231	109	5,426	5,766	4,433
Care centre activities		538	285	12,620	13,443	13,019
Recruitment and services		–	–	2,165	2,165	1,574
		2,821	492	26,692	30,005	27,538
Total expenditure	4	2,895	492	32,832	36,219	34,331
Net operating expenditure		(1,702)	400	(6,304)	(7,606)	(6,506)
Net gains/(losses) on investments						
Unrealised gains/(losses) on investments		5,772	–	5,484	11,256	(108)
Realised gains/(losses) on investments		1,769	64	1,509	3,342	(1,237)
		7,541	64	6,993	14,598	(1,345)
Net income/(expenditure)		5,839	464	689	6,992	(7,851)
Transfer between funds	11	–	(826)	826	–	–
Other recognised gains and losses						
Pension scheme actuarial gain/(loss)	15	–	–	(4,883)	(4,883)	131
Net movement in funds		5,839	(362)	(3,368)	2,109	(7,720)
Reconciliation of funds						
Fund balance brought forward at 31 March 2016		56,669	1,925	91,619	150,213	157,933
Fund balance carried forward at 31 March 2017	11	62,508	1,563	88,251	152,322	150,213

Blind Veterans UK

Patron
Her Royal Highness The Countess of Wessex GCVO

Founder
The Late Sir Arthur Pearson Bt GBE

Vice-Presidents
Captain Michael C Gordon-Lennox OBE RN
Major General Andrew M Keeling CB CBE

President
Colin Williamson

Vice-Patrons
HRH Crown Prince Pavlos of Greece
Admiral Sir Jonathon Band GCB DL
General Sir Peter de la Billière KCB KBE DSO MC DL
Air Chief Marshal Sir Joe French KCB CBE
Rear Admiral Sir Donald Gosling KCVO
General The Lord Richards GCB CBE DSO

Chairman
Air Vice-Marshal Paul Luker CB OBE AFC DL*

Honorary Treasurer
Air Vice-Marshal Paul Luker CB OBE AFC DL*
Tim Davis (Resigned Dec 2017)*

Members of Council and Trustees
Neelesh Heredia (appointed Sept 2017)*
Paul Palmer
Minoo Sahini Court (appointed Sept 2017)
Air Vice-Marshal Paul Luker CB OBE AFC DL*
Colin Williamson
Sarah-Lucie Watson
Kerry Levins
Guy Davies (appointed Mar 2018)
Nicky Pulford (appointed Sept 2017)
Tim Davis (resigned Dec 2017)*

Ty Platten
David Turner*
Barry Desmond Coupe
James Leavesley
Sir Mark William Poffley
Malcom Cree
Liz Hunt
David Buckley (appointed Dec 2017)*
Penny Harris (resigned Dec 2017)

* Members of the Finance committee

Chief Executive
Major General (Rtd) Nick Caplin CB

Auditor
Crowe U.K. LLP, Chartered Accountants and Registered Auditors, St Bride’s House,
10 Salisbury Square, London EC4Y 8EH

Bankers
Barclays Bank PLC, Hampstead & Whetstone Corporate Banking Centre, PO Box 12820, London N20 0WE

Investment Managers
Cazenove Capital Management Ltd, 12 Moorgate, London EC2R 6DA
Jupiter Asset Management, The Zig Zag Building, 70 Victoria Street, London Sw1E 6SQ

Solicitors
Bircham Dyson Bell, 50 Broadway, London SW1H 0BL
Sackers, 20 Gresham Street, London EC2V 7JE
Coole Bevis LLP, 15 Prince Albert Street, Brighton, East Sussex BN1 1HY

Registered Office
12–14 Harcourt Street, London W1H 4HD. A company limited by guarantee No. 189648, registered in England. The charity is incorporated under its memorandum and articles of association originally dated 30 April 1923 and most recently amended on 27 January 2012.
Registered Charity number: 216227. Scottish Registered Charity number: SC039411.

“We help vision-impaired ex-Service men and women lead independent and fulfilling lives by supporting them with our expertise and full range of services.”



blindveterans.org.uk

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