



**sense  
Scotland**

# **Trustees' Report and Financial Statements**

**For the year ended 31<sup>st</sup> March 2015**

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## Trustees' Report

### Reference and Administrative Details

The Trustees, who are also directors under the Companies Act, have pleasure in presenting their report together with the audited financial statements of the charitable company for the year ended 31 March 2015.

#### Administrative information

Charity Name:	Sense Scotland
Company Registration Number:	SC147570
Scottish Charity Number:	SC022097
Registered Office Address:	43 Middlesex Street, Glasgow G41 1EE
Company Secretary:	John O'Connor

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

Roy Cox	Chairman
Neil Farquharson	Vice Chairman
Gerard Seenan	Treasurer
Douglas Smart	Depute Treasurer
David Newton	
Duncan Tannahill	
Isobel Allan	
Norman Richie	deceased 25th October 2014
Usman Rehman	
Gary Simpson	
Eileen Henighen	resigned 18th March 2015
Angela Clements	appointed 10th September 2014

### Directorate team

Andy Kerr	Chief Executive Officer
Linda Annan	Director of Operations – left 22nd May 2014
Brian Murphy	Director of Operations – commenced 1st December 2014
John O'Connor	Director of Finance & Resources & Company Secretary
Eddie McConnell	Director of Development

### Independent Auditors

PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow G2 7EQ

### Solicitors

MacRoberts  
Excel House  
30 Semple Street  
Edinburgh EH3 8BL

### Bankers

Bank of Scotland  
38 St Andrews Square  
Edinburgh EH2 2YR

## Structure, Governance & Management

### Governing document

Sense Scotland is a charitable company incorporated as a private company limited by guarantee. The sole member is Sense, the National Deafblind and Rubella Association, which itself is a charitable company incorporated in England.

Sense Scotland was established as a charitable company in November 1993 and is governed by a Memorandum and Articles of Association under the Companies Act.

### Purpose and Aims

Our charity's purposes as set out in the company's memorandum of association are to provide support and relief to children and adults who are deafblind, who have a hearing impairment, visual impairment, learning, physical disability and any combination of these and to provide help and support to their families and carers.

### Governance structure

The approved governance structure is detailed in the Governance handbook that is reviewed regularly by the Governance working group. The current structure is as follows:

- The governing body of the charity is known as the Board of Trustees, (the Board)
- The number of trustees will be determined by the Board with a target of between 10 and 12. The Board meets four times each year.
- There are four Board sub-committees as follows:
  - Finance Committee.  
Purpose: to ensure that financial resources are being employed appropriately in furtherance of strategic objectives.
  - Audit and Risk Committee.  
Purpose: to monitor and review the effectiveness of internal and external auditing procedures and outcomes, advising and reporting to the Board.
  - Remuneration Committee.  
Purpose: to ensure that both the remuneration strategy and its implementation is perceived by all to be transparent, fair and effective.
  - Nominations Committee.  
Purpose: to identify any skills gaps in the Board membership, oversee the recruitment processes of Board members and make recommendations to the Board of new Board members for election or co-option.

All trustees undergo an induction and training programme and are given access to a Trustee Resource Pack. This on-line resource includes both internal and external information and advice to support trustees in fulfilling their role, including guidance from OSCAR, the Charity Commission and the Institute of Fundraising.

The Trustees who held office during the year are set out on page 3. The Trustees have the powers and obligations of directors under the Companies Act. The appointment of Trustees is determined by the existing Board members at each Annual General Meeting. Trustees can also be co-opted to the Board during the course of a year by the existing Trustees. After confirmation of a Trustee's appointment at the AGM, Trustees may serve for an initial period of four years. They may then stand for a further four years after which any further service will be on the recommendation of the Nominations Committee.

### Management structure

The Board has established six senior groups comprising the Leadership Team, the Directorate, the Partnership Forum, the Operations Group, the Internal Policy Group and the Public Policy Group. There are a number of other working groups to help with the day-to-day running of the charity.

The Chief Executive, Director of Operations, Director of Finance & Resources and Director of Development attend every Board meeting and are informed of decisions made by Trustees. Updates from the Board are provided at Leadership Team meetings. All Leadership Team members meet as a minimum once a year with the Trustees.

## Governance and Strategic Review

The Board and the Leadership Team meet twice annually to review governance and strategic direction; this took place in September 2014 when we reviewed our Strategic Plan and in March 2015 when we placed that plan in the context of the potential changes to our external environment which impact governance and strategic planning.

The areas covered during these two events included:

- a review of the past year
- an examination of the financial outlook
- a sense check of our strategic plan 2013 - 2016
- a discussion examining and workshops relating to the IRISS “Imagining the Future” research conducted by Robert Rae of IRISS
- a discussion on the impact of Human Rights on Social Care and Sense Scotland led by Cathy Assante of the Scottish Human Rights Commission
- our markets and futures
- our KPIs; reporting and monitoring

## Management – Organisational Structure

The diagram below sets out the organisation structure in terms of operational management and reporting:



Within Operations, the management of services is split geographically into North East of Scotland, East of Scotland, Central Scotland and West of Scotland. Each has a Head of Operational Services. These regions are split into areas and services are organised across particular localities. Area and Locality Managers are in place for housing support services. Registered and Depute Managers are in place for registered locations such as respite services and residential care homes. We also have services operated and managed from TouchBase in Glasgow, again under a Head of Operational Services.

## Plans for future periods

Plans for future periods are discussed within the Strategic Report.

## Employment Involvement

Employee involvement and the Sense Scotland policy on disability are discussed within the Strategic Report.

## Objectives and Activities

### Our Vision

Our vision is for the people we work with to live meaningful and independent lives in a world which supports them to achieve their own ambitions.

### Our Mission

Sense Scotland will work in partnership to support and promote the interests of children, young people and adults who have communication support needs arising from a range of disabilities including, but not limited to, deafblindness, sensory impairment, learning or physical disability.

We seek to lead the field in communication support and innovative person centred support services for people who are marginalised because of the complexity of their support needs, their health care requirements and their behaviour which, at times, can be challenging of conventional service models.

We aim to provide services which provide choice and continuity across all age groups and work closely with the individuals we support, their families and carers and with professionals working in our field.

### Our Values

- Be open and honest
- Recognise individual worth
- Build relationships through trust
- Act on the basis of individuals aspirations and needs
- Be accountable

These values apply to us all, staff, trustees, volunteers, service users, families and carers and others that we work with and are an integral part of our induction and training, our communications, working policies and staff appraisal.

### Our Personality and Specialism

Sense Scotland is a charity and social enterprise founded upon relationships, communication and involvement with service users and families, we solve problems that others will not, and we work to a moral and ethical framework.

We wish to be a trusted and respected organisation which is inclusive of those we work with, their families and carers and our staff. We will retain that personality into the future despite the challenges we face.

We work with individuals who have complex communication support needs due to a combination of:

- learning and physical disabilities
- sensory impairment including deafblindness
- autism
- complex health care needs
- mental health needs

We have many years' experience of working successfully with people whose behaviour often challenges conventional service models. We have developed expertise in supporting individuals, whose behaviour can be challenging, to access a wide range of community activities.

Our aim is to develop good communication partnerships with all people, including individuals using services, their families, staff and external colleagues. This is central to our approach in working with people and often involves enabling the individual to develop alternative communication skills and strategies.

We take a risk enabling approach and believe that developing good communication skills with people helps to achieve the necessary balance through supporting choice at the same time as minimising

risks to safety.

We have an inclusive and engaging approach with people using services, supporting them to be involved in campaigning work to inform legislation and welfare reform and improve services, ensuring their voices are heard at local and national government levels.

## **Our People**

Our people are our service users, their families and carers, our staff and their families, the trustees, our clients and customers, our donors and volunteers, our neighbours in the communities that we work in.

We value them all and we celebrate their diversity and the different ways they influence the work of Sense Scotland, we want them to be cared for, loved, motivated and trained, to be confident and open and to be inspirational.

## **Our Working Principles**

Working principles support our values in service provision where we will:

- Respect and protect dignity.
- Work in a way that provides as much privacy as possible.
- Safeguard rights, safety and welfare.
- Encourage as much choice as possible.
- Enhance independence by supporting people to do as many things for themselves as possible.
- Help people to realise personal fulfilment and make the most of opportunity.
- Provide opportunities for learning and having fun.
- Acknowledge the value of risk taking by assessing risk in such a way that does not stop people trying new things.

## **Our Main Activities**

The main activities undertaken by the charity continue to be the provision of care and housing support under contract with local authorities and other statutory bodies across Scotland. These services take the form of residential care homes; residential respite for adults and children; day support services for children; day support resources for adults, and housing support services. This constitutes our main focus but we also provide added value services funded from donations and grants, such as our advisory services for families and carers; health and healthy living information; public policy development; holidays and outdoor activities, as well as providing creative opportunities for service users in the form of art, music and drama.

## Strategic Report

Our Strategic Objectives for 2013 – 2016 are:

- We will support service users and families to be active and involved.
- We will lead in the provision of high quality service provision and service development throughout Scotland and internationally.
- We will grow in order to provide more services to more people.
- We will be the employer of choice, recognised for our commitment to staff development and training.
- We will harness the views of those we serve and support them to organise and campaign.
- We will work and grow sustainably.

The charity works to a rolling three-year strategic plan. All stakeholders are involved in the development of the strategic plan and the Trustees approve both the three-year strategic plan and the annual operational plan. The annual budget is also approved by the Trustees, and both the plan and the budget are evaluated at the Annual General Meeting.



### We will support service users and families to be active and involved

- The Board of Sense Scotland has parent/carer representation and the Chair of Sense Scotland is the parent of a service user. We have continued to support parents and carers on the Board in their role as Board members by the provision of supporting material and advice.
- We are currently planning a recruitment exercise for new trustees which will aim to encourage uptake from parents and carers.
- We have active parent/carer representation and involvement in the Quality Assurance Programme.
- We have developed a Family Database to ensure it is a powerful tool for supporting service users and their families as well as providing meaningful intelligence to inform development priorities.
- We have supported our service user consultation group known as Our Voice to review its role

and impact on the organisation which will ensure they have a greater say in the future of the organisation in the coming years.

- Our Voice was consulted upon and approved our key strategic themes and the annual conference included a number of key discussions with senior staff of Sense Scotland.
- We continue to take part in partnership initiatives such as Disability Agenda Scotland (DAS) in order to challenge and inform changes in public policy that impact our service users and their families.
- We have introduced our national annual service user and families' satisfaction survey.

### **We will lead in the provision of high quality service provision and service development throughout Scotland and internationally**

- We have audited every Service in Sense Scotland through our Quality Assurance Programme.
- All audit reports are issued to the Audit and Risk Committee and the committee also ensures that all actions originating from these reports are completed to their satisfaction. The committee is also identifying trends within these reports which will support future strategic planning processes.
- Our IT strategy has continued to deliver improved equipment into all services, roll-out of wi-fi and mobile and tablet technology. These steps have improved the efficiency and effectiveness of our senior and front line managers.
- Other initiatives are planned regarding thin client (a "computer" that runs directly from the server rather than independently) and network improvements.
- We have supported and resourced managers and staff to work in partnership with service users and their family, to identify achievable, measurable outcomes and describe these in our individual outcome based support plan.
- Through the continued use of the Progress for Providers model we have prepared for the implementation of personalisation/self-directed support model of service delivery.
- With the support of the Scottish Government, our Partners in Communication (PIC) project has researched, developed and implemented a range of communication tools and approaches that will benefit those people we support and the wider community.
- We have continued to invest in the personal and professional development of all of our staff through a range of training including the Management Business School, a wide range of training opportunities and SVQs and other relevant professional qualifications.
- We have recognised our staff achievements and success once again through our Annual Staff Awards event where nominations highlighted some of the fantastic work of our teams.
- We were successful in gaining certification to the Quality Scotland Recognised for Excellence award in 2014/15.

The organisation recognises that improving quality is an ongoing action and we will continue to assess and review all of our practices to provide the best possible service to our service users, staff and other stakeholders.

### **We will grow in order to provide more services to more people**

- We have taken further steps to develop our TouchBase model in other areas of the country and made the successful acquisition of the Aveyron Centre and Volunteer Centre from South Lanarkshire Council which will form the new TouchBase Lanarkshire. We continue our discussions with North Ayrshire Council with regard to a potential location for TouchBase Ayrshire
- We continue to seek an appropriate location for the development of an Outdoor centre.
- We have responded positively to the needs and demands of service users and families by developing a range of high quality group session activities, including arts and music, within our TouchBase Glasgow services.
- We have introduced further developments to our website, marketing and information materials and increased the use of social media tools.

The changing environment for social care brought on by a combination of local authority financial restraints and the expansion of SDS (Self Directed Support) is a challenge to the organisation. We will

meet this challenge by providing a range of high quality services that are affordable to our users and funders and we will communicate that using a wide spectrum of marketing strategies.

**We will be the employer of choice, recognised for our commitment to staff development and training.**

- The restructure of our operational staffing model with the introduction of a Supervisor role with a particular focus on staff supervision and practice development has substantially increased support to staff.
- We continue the use of a Team Briefing approach to ensure that all staff were involved in and could influence the direction of the organisation; we are looking now at modernising that approach.
- We continue to develop our Partnership Forum with support from Unite, the trade union, to improve the pay and benefits of all of our staff.
- We have continued to invest heavily in staff training and development with a strong focus on core training, as follows:

Course	No. of staff trained
Fire Safety	497
Health & Safety	244
Moving & Handling	335
Administration of Medication	320
Protection	355
Epilepsy	284
CALM	341
Other training	1837

- Our regulatory training standards programme to meet organisation and Scottish Social Council (SSSC) requirements has also been an area of major investment with the provision of:
  - SVQ4 Health & Social Care 10
  - SVQ3 Health & Social Care 61
  - SVQ2 Health & Social Care 1
  - Modern Apprenticeship 28
  - Professional Development Award (PDA) 26
- Despite tight financial constraints we were delighted to be able to award all employees a 1% pay award effective from the 1st December 2014.
- The Annual Staff Awards for 2014/15 which took place in April 2015 was a huge success. Congratulations go to:
  - Team of the Year: Alford Relief Team
  - The Big Idea: One Giant Leap Project
  - Inspiration: Anne Sutherland
  - Volunteer of the Year: Martha Dewar
  - Shop of the Year: Greenock
  - Chairman’s Award for Excellence: Coatbridge Housing Support
  - Special Recognition: Liz Cox

As mentioned previously, the organisation has a number of challenges that has resulted in us being unable to reward our staff to the level that we would wish. Of particular disappointment is that we have still been unable to implement the Living Wage increases that came into effect in November 2013. However, we are committed to the concept of becoming a full Living Wage Employer and we will keep this under review.

**We will harness the views of those we serve and support them to organise and campaign**

- We continue to have a strong presence of family members on our Board of Trustees.
- Our Advisory Services and Parent Enabling Project support families to advocate for services, benefits and funding to ensure the needs of their family member is met.
- We work with other organisations through our membership in Disability Agenda Scotland

(DAS). Working closely with thousands of disabled children, young people and adults, families and carers involved with the member organisations, DAS aims to:

- Influence public policy including the development of a manifesto for the 2015 election.
- Provide a forum for decision makers and influencers to obtain advice and information.
- Promote a better understanding of the diverse experiences, needs and aspirations of disabled people.
- We have a range of marketing materials to support service users and their families with information and advice on self-directed support.

### **We will work and grow sustainably**

- We continue to reduce paper usage including:
  - On-line recruitment
  - Electronic forms produced for many of our processes including health & safety, procurement, service user information etc.
  - On-line production of monthly management accounts.
  - Support with scanning of documents
- We continue to use of SharePoint sites to centralise files, meeting papers etc. to prevent duplication.
- We have increased the use of tablet technology to reduce the use of paper files.
- We have increased the use of smart mobile phone technology to reduce the use of paper based systems.
- We continue to encourage the donation of second-hand goods and furniture to our charity shops to increase up-cycling whilst also benefiting from increased income to the organisation.

### **Financial Review**

The Sense Scotland financial statements relate to activities throughout Scotland, some of which are on a contracted basis and, therefore, funded through local authorities. Other activities are funded through charitable income and statutory grants.

#### **Income and Funding:**

In 2014/2015 total income was £21,701,224, up by £51,063 (0.2%) on the previous year. Fees and allowances account increased by 2.2% from £16,935,590 in 2013/14 to £17,309,639 in 2014/15 and represents 79.8% of our total income.

The TouchBase Business Centre income increased by £23,038 from £140,020 in 2013/14 to £163,058 in 2014/15 from rentals and café activities.

The shop income increased by £13,274 this year compared to 2013/14. Three new shops were opened in Montrose, Broughty Ferry and a trial bookshop in Peebles.

Major grants received are identified in note 2 to the financial statements. In addition, substantial donations have been received from the following Organisations and Trusts:

- Alexander Moncur Trust
- The Big Lottery Fund
- The Robertson Trust
- Gannochy Charitable Trust
- William S Philips Fund
- Aberbrothock Skea

The Trustees are indebted to all donors for their support, both financial and otherwise, without which it would not have been possible to achieve all that we did.

The Trustees wish to note the continued support of the Scottish Government in respect of a variety of funds. The Trustees also wish to note their thanks to local authorities, health boards and other statutory agencies who have continued to support Sense Scotland through grant and other funding.

## Expenditure

Expenditure reduced by £66,670 (0.3%) during 2014/15 from £21,765,862 in 2013/14 to £21,699,192 in 2014/15. Salary cost still remains our main area of expenditure, accounting for 76.2% of the total expenditure.

## Reserves and investments

The Trustees had set a target of 12 weeks operating costs as a desired level of reserves, to ensure continuity of operation should there be an issue with income. This decision is reviewed annually, having taken into account the nature of the client group for which the charity is entrusted to provide care and support. As of 31 March 2015, the charitable company has managed to achieve a reserve level of 11.6 weeks working capital, £4,279,215. Working Capital is calculated using the Net Current Assets (excluding Restricted and Designated Funds) divided by the average expenditure for one week.

## Our key financial performance indicators during the year were as follows:

Indicator	2015	2014	Change %
Voluntary Income	2,089,083	2,324,196	-10.1%
Activities for generating funds	1,568,716	1,516,149	3.5%
Interest receivable	70,454	86,263	-18.3%
Fees and allowances	17,309,639	16,935,590	2.2%
Grants Receivable	663,332	787,963	-15.8%
<b>Total Income</b>	<b>21,701,224</b>	<b>21,650,161</b>	<b>0.2%</b>
Costs of generating voluntary income	834,293	1,100,724	-24.2%
Costs of activities for generating funds	1,769,450	1,419,463	24.7%
Residential and community services	17,593,235	17,300,646	1.7%
Individual and family services	380,459	224,306	69.6%
Policy, development and resources	1,109,805	1,709,015	-35.1%
Governance costs	11,950	11,708	2.1%
<b>Total Expenditure</b>	<b>21,699,192</b>	<b>21,765,862</b>	<b>-0.3%</b>
<b>Unrestricted Funds</b>	<b>4,279,215</b>	<b>3,902,082</b>	<b>9.7%</b>

## Fundraising Performance

Fundraising performance in 2014/15 remained strong. Revenue generated from fundraising activities, including legacies amounted to £2,856,891. This is made up of Grants receivable (£600,935), Big Lottery Fund – Grant (£62,397), Donations, events and trading (£1,261,417), Legacies receivable (£189,748) and Committed giving campaigns (£742,394).

Our donors and supporters play an integral part in helping to ensure that success by continuing to support our events, campaigns and solicitations. Untied donations raised £1,522,345 and we are very grateful to everyone who helped to raise this amazing amount. This figure includes Voluntary Income (£1,430,704) and Fundraising Events (£91,641).

Individual giving is by far the largest single form of revenue generation for the fundraising team at Sense Scotland. In 2014/15 we received 75,835 gifts from our donors, with the average yearly gift of £94.33 bringing the amount generated by individual giving to £741,401.

This achievement is largely down to Sense Scotland's commitment to increasing and maintaining our fundraised income. Sense Scotland's investment in Special Campaigns has allowed our individual giving stream to grow and flourish.

2014/15 was a very successful year from event fundraising for Sense Scotland, generating £91,641 which is 8% above budgeted target. Our donors continued to support our fundraising events and took part in Ladies Lunches, zip slides and our annual Christmas Concert, which goes from strength to strength. Again, a huge thank you to everyone who participated, raised sponsorship or came along to lend their support.

Income from grant making trusts has provided a valuable contribution to our overall fundraised income. In 2014/15 we received our final instalment of a three year grant from The Robertson Trust which has been supporting the work of our drama group in Dundee (£16,000). We also received support from Dundee specific trusts, William S Philips Fund, Aberbrothock Skea and Alexander Moncur Trust. Another highlight was the grant of £25,000 received from The Moffat Charitable Trust to undertake a health audit for the people we support. We acknowledge the support of the Scottish Government through the Third Sector Early Intervention Fund, managed on behalf of Scotland Government by the Big Lottery Fund in Scotland.

Statutory grants generated £638,797 in income during 2014/15, including ongoing grant funding from the Scottish Government for our international projects in Malawi and Bangladesh and our Early Years and Partners in Communication work in Scotland. We received additional support from the Scottish Government to deliver training under their Autism strategy (£12,000). Sense Scotland's five year project, One Giant Leap, continued to receive extant funding from Big Lottery Fund. Additionally, 2014/15 saw the second year of funding from Creative Scotland for the Sense Scotland Youth Music Initiative Project.

### **Trading Performance**

Sense Scotland shop trading developments continue with the opening of new shops in Broughty Ferry and Montrose and a book shop pilot in Peebles. During the year two shops closed in Paisley and Falkirk, these temporary shops had been occupied for over three years. We were able to redeploy the shop managers to other shops. Shops income for 2014/15 was £1,301,182, an increase on last year's income of 1%. The growing cost of utilities and an increasing number of Local Authorities charging the discretionary 20% Business Rates relief led to an increase in overheads.

Charitable trading and obtaining good stock is challenging, we responded by investing in a new stock collector for the east and new branded shop vans which not only increase our capacity to keep our shops well stocked, but raise awareness of Sense Scotland. This investment has paid off, donations of furniture have increased and this year we saw a sales growth of 7% in this area. The continuing drop in price for rags (recycling) led us to introduce 99p shops, maximising income from clothing which would previously have been recycled. The retail Gift Aid scheme generated £67,280 thanks to the continued efforts of staff and volunteers. The Trustees acknowledge the valuable contribution they make.

2014/15 was a good year for TouchBase Business Centre and Café. The introduction of the events space has added a new flexible space which is popular for larger events. Income grew significantly to £163,058, 22% over budget and £23,038 (16.5%) ahead of 2013/14. The café introduced a number of menu changes to meet service user needs. This and an increase in quality and external custom led to income of £114,218, £22,219 over budget and £17,107 (18%) ahead of 2013/14.

## Plans for future periods

We have developed three main strategic themes in order to meet the demands of all of our stakeholders, these being:

1. Personalisation
2. Quality
3. Sustainability and Growth

### Personalisation

#### Ambition:

- Be the provider of choice. Be recognised for fitting the service around the person.

#### The Pressure:

- New legislation will drive a fundamental change in how we deliver services.

#### Our Strategy:

- Respond to the legislation by delivering the new service model in an effective and efficient way.
- Our people will receive all required training.
- We will support service user families through the transition and beyond by running awareness events.

### Quality

#### Ambition:

- To work in partnership with families, carers and service users to develop and improve service delivery.
- Become the employer of choice.

#### The Pressure:

- The regulatory quality standards have increased and there is more pressure to evidence performance and improvement.

#### Our Strategy:

- Implement our QA programme as a vehicle to delivering excellence and meeting all regulatory requirements.

### Sustainability and Growth

#### Ambition:

- Grow our services to the benefit of the community by providing personalised economic and efficient services.

#### The Pressure:

- Our funding will come under increasing pressure and competition will increase.

#### Our Strategy:

- Maintain or increase funding; market our core competencies and USPs more vigorously, and deploy the TouchBase model beyond Glasgow and develop new service models.

All of the above strategic themes will be met by a range of projects covering five central areas of:

1. Service users & families and Trustees.
2. Our people.
3. Processes (operational, support, governance and facilities).
4. Financial.

## 5. Funding.

We will also be implementing a new project management system that will allow the setting up of project teams and the identification of main milestones, tasks and timescales and key measures. The system will also allow the monitoring and reporting of progress to the Board of Trustees and the Leadership Team.

### **Principal risks and uncertainties**

As a company established under the Companies Act 2006, we are required to report on the business risks and uncertainties that may affect the charity as a business.

In general terms, as 80% of our total income is derived from contracted services with local authorities and other statutory bodies, we have a very low risk in terms of the core of the charity's work. The nature of our client group's support needs, long term physical, sensory and learning difficulties, means that we will be offering such services to local authorities and other statutory bodies over a long term period.

As we are dealing with large statutory authority purchasers of our services, the risk of non-payment of our fees is also very low. The main potential risk to the charity may arise from changes in central government funding of local authorities, or future local government reorganisation that could impact on the charity's cash flow position from delays in payments of fees. As such the charity is looking to ensure that robust credit control processes are in place to ensure that non-payment of invoices are tackled quickly and effectively.

In common with all charities, we do face the uncertainty on a yearly basis about the level of fundraised income for our added value services or special projects. However, such uncertainties are minimised with our strategy to increase the level of committed regular donors. We received £741,401 from such donors during the year. In addition, we obtain specific grant funding for special projects thus ensuring our costs are fully funded.

Whilst our shops provide the charity with a year on year stable level of charitable income, there is the potential risk of such income falling due to competition and/or changes in consumer spending patterns. Whilst poorly performing shops are closed where possible, there are lease commitments, which the charity may need to honour if the lease is not able to be reassigned.

### **Employee involvement and employment of disabled people**

The Trustees remain committed to employee involvement. This is in part achieved through our partnership work with the trade union Unite and other elected staff representatives. We have continued to develop staff representation through the Partnership Forum, which as a minimum meets three times a year.

All staff representatives have a dedicated email address and mobile phone to assist with their role and to allow for more effective representation of their staff constituencies. We have also requested and received personal email addresses from employees and send out newsletters and other relevant information about the organisation's activities.

During the year employee involvement has continued by use of monthly information updates and Partnership Forum meetings at which all staff are represented.

Sense Scotland is an equal opportunities employer and ensures the prevention and elimination of discrimination between persons on the grounds of sex, marital status, racial grounds, and grounds of disability, sexual orientation, age, language, and social origin, religious or political beliefs. The charity welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the board. The charity guarantees an interview to applicants with disabilities providing they meet the essential criteria for the post. All disabled employees will receive the appropriate training, development and promotion opportunities.

The headcount of employees (excluding volunteers) increased very slightly from 1106 in March 2014 to 1112 in March 2015, and the majority of our contracts for services have retained relatively stable

staffing levels.

Staff turnover rates (not including relief) have decreased slightly from 16% in March 2014 to 15.5% in March 2015. The Central Scotland Voluntary Sector Network (2014 Survey) report an average turnover of 17.8%, which is lower than the estimate for the Social Care Sector at 22%, so Sense Scotland compares favourably with these benchmark figures.

Staff attendance rates have decreased slightly, with staff absence increased from 4.2% in March 2014 to 4.1% in March 2015. Our target for absence is 4%. The CIPD 2014 absence survey showed absence with the Not for Profit (Care) Sector level at 4.5%. The Central Scotland Voluntary Sector Network (2013 Survey) showed a median absence level of 5.2%, so again Sense Scotland compares favourably with these benchmark figures.

We currently employ 20 (1.8%) staff who have declared they have a disability. We offer staff the option to record their disability within HR and therefore it is important to note this figure is based on those who have agreed to share this information with us only.

We currently have 472 volunteers on our database and we have 17 service users in employment with us.

## Statement on disclosure of information to the auditors

The Trustees confirm and are confident that all relevant audit information has been provided to the charitable company's auditors, and are not aware of any audit information that has not been provided to or given access to the auditors.

Each Trustee has taken all the steps required by the Trustee's duty to exercise due care, skill and diligence and that he or she ought to have taken in his or her duty as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### Statement of trustees' responsibilities

The trustees (who are also directors of Sense Scotland for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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; and
- 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 and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Independent Auditors

In accordance with Section 485 of the Companies Act 2006 a resolution proposing the re-appointment of PricewaterhouseCoopers LLP as auditors to the charity will be put to the Annual General Meeting.

**The Trustees' report, including the Strategic Report, is approved by the Board of Trustees in their capacity as company directors and signed by order of the Board by:**

John O'Connor, Company Secretary  
9th September 2015

# Independent auditors' report to the members and trustees of Sense Scotland

## Report on the financial statements

### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

This opinion is to be read in the context of what we say in the remainder of this report.

### What we have audited

The financial statements, which are prepared by Sense Scotland, comprise:

- the balance sheet as at 31 March 2015;
- the statement of financial activities and the income and expenditure account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Other matters on which we are required to report by exception**

### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Trustees' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Martin Pitt (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
9 September 2015

The maintenance and integrity of the Sense Scotland website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Income and Expenditure account for year ended 31 March 2015

	Notes	2015 £	2014 £
<b>Income</b>			
Fees and Allowances	1	17,309,639	16,935,590
Grants Receivable	1, 2, 3	600,935	712,801
Big Lottery Fund - Grant	2, 3	62,397	75,162
Donations, events and trading	3	1,261,417	794,487
Legacies receivable	3	189,748	391,167
Committed giving campaigns	3	742,394	1,226,763
Income from shops	3	1,301,182	1,287,908
Income from TouchBase Business Center	3	163,058	140,020
Interest Receivable and similar income	4	70,454	86,263
		<b>21,701,224</b>	21,650,161
<b>Expenditure</b>			
Residential and community services	5	17,593,235	17,300,646
Individual and family services	5	380,459	224,306
Policy, development and resources	5	1,109,805	1,709,015
Fundraising and publicity	6	272,277	378,372
Committed giving campaigns	6	646,292	876,469
Shop costs	6	1,533,495	1,191,712
TouchBase Business Center costs	6	151,679	73,634
Governance costs	8	11,950	11,708
		<b>21,699,192</b>	21,765,862
<b>Surplus / (Deficit) for the year (Total Funds)</b>		<b>2,032</b>	(115,701)
Relating to Restricted and Designated Funds		<b>646,241</b>	745,314
Net Income to Unrestricted Funds		<b>648,273</b>	629,613
Transfer from Unrestricted Funds to Designated Funds		<b>(189,748)</b>	(391,167)
Transfer from Designated Funds to Unrestricted Funds		<b>(81,392)</b>	-
<b>Net Movement in Unrestricted Funds</b>		<b>377,133</b>	238,446
All results related to continuing activities			

## Statement of financial activities for the year ended 31 March 2015

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2015	Total 2014
		£	£	£	£	£
<b>Incoming Resources</b>						
<b>Incoming resources from Generated Funds</b>						
Voluntary Income	3	1,430,704	619,934	38,445	<b>2,089,083</b>	2,324,196
Activities for generating funds	3	1,568,716	-	-	<b>1,568,716</b>	1,516,149
Interest receivable	4	70,454	-	-	<b>70,454</b>	86,263
<b>Incoming resources from Charitable Activities</b>						
Fees and allowances	1	16,831,003	-	478,636	<b>17,309,639</b>	16,935,590
Grants Receivable	1, 2	24,535	-	638,797	<b>663,332</b>	787,963
<b>Total incoming resources</b>		<b>19,925,412</b>	<b>619,934</b>	<b>1,155,878</b>	<b>21,701,224</b>	<b>21,650,161</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	6	288,676	540,609	5,008	<b>834,293</b>	1,100,724
Costs of activities for generating funds	6	1,701,916	67,534	-	<b>1,769,450</b>	1,419,463
<b>Charitable Activities</b>						
Residential and community services	5	17,059,086	-	534,149	<b>17,593,235</b>	17,300,646
Individual and family services	5	58,001	-	322,458	<b>380,459</b>	224,306
Policy, development and resources	5	157,510	468,530	483,765	<b>1,109,805</b>	1,709,015
Governance costs	8	11,950	-	-	<b>11,950</b>	11,708
<b>Total resources expended</b>		<b>19,277,139</b>	<b>1,076,673</b>	<b>1,345,380</b>	<b>21,699,192</b>	<b>21,765,862</b>
Net incoming/(outgoing) resources before transfers		648,273	(456,739)	(189,502)	<b>2,032</b>	(115,701)
Transfers	18	(271,140)	271,140	-	-	-
<b>Net movement in funds</b>		<b>377,133</b>	<b>(185,599)</b>	<b>(189,502)</b>	<b>2,032</b>	<b>(115,701)</b>
Fund Balances brought forward at 1 April		3,902,082	6,458,466	2,873,420	<b>13,233,968</b>	13,349,666
Fund Balances carried forward at 31 March		4,279,215	6,272,867	2,683,918	<b>13,236,000</b>	13,233,968

All incoming resources and resources expended, both current and prior year, are derived from continuing activities. The results above are reported on a historical basis.

There is no material difference, both current and prior year, between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

All gains and losses recognised in the year, both current and prior year, are included in the Statement of Financial Activities.

## Balance Sheet as at 31 March 2015

	Note	2015	2015	2014	2014
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		6,471,734		6,527,189
<b>Current assets</b>					
Debtors	14	1,883,773		2,591,183	
Investments	15	-		1,682	
Cash at bank and in hand		6,237,235		5,542,142	
<b>Total Current Assets</b>			<b>8,121,008</b>		<b>8,135,007</b>
<b>Creditors: amounts falling due within one year</b>	16		<b>(775,508)</b>		<b>(793,938)</b>
<b>Net current assets</b>			<b>7,345,500</b>		<b>7,341,069</b>
<b>Total assets less current liabilities</b>			<b>13,817,234</b>		<b>13,868,258</b>
<b>Creditors : amounts falling due after one year</b>	17		<b>(581,234)</b>		<b>(634,290)</b>
<b>Net assets</b>			<b>13,236,000</b>		<b>13,233,968</b>
<b>The funds of the Charity</b>					
<b>Restricted funds</b>	18		<b>2,683,918</b>		<b>2,873,420</b>
<b>Unrestricted Funds</b>	18		<b>4,279,215</b>		<b>3,902,082</b>
<b>Designated funds</b>	18		<b>6,272,867</b>		<b>6,458,466</b>
<b>Total Charity funds</b>			<b>13,236,000</b>		<b>13,233,968</b>

The financial statements on pages 20 to 36 were approved by the Trustees on 9 September 2015 and signed on its behalf by:

Roy Cox  
Chairman

John O'Connor  
Secretary

## Accounting policies

### Basis of preparation

Sense Scotland is an incorporated charity. The financial statements have been prepared on a going concern basis.

The financial statements are prepared in accordance with the Charities Accounts (Scotland) regulations (2006); Charities and Trustee Investment (Scotland) Act 2005; Applicable accounting standards in the United Kingdom; and the historic cost convention.

The accounting policies have been applied consistently throughout the year and the preceding year.

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (revised), as it is a wholly owned subsidiary undertaking and is included in the ultimate parent undertaking's consolidated cash flow statement.

Particulars of the significant accounting policies of the charitable company are given below.

### Basis for recognition of incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

### Incoming resources from charitable activities

Fees and allowances represent income earned in respect of contracted services with local authorities, health boards and other statutory agencies and are recognised when the services are performed.

Grants income is recognised on a receivable basis and when the charity is unconditionally entitled to the grant. Where entitlement is conditional upon the delivery of a specific performance by the charity, grant income is not recognised until these conditions have been fulfilled.

### Incoming resources from generated funds

Voluntary income (consisting of donations, committed giving and legacies) is accounted for when receivable. Non-cash donations, other than goods donated for sale through our shops, are valued at an estimate of their value to the charity. Volunteer services are not quantified nor included in the financial statements.

### Incoming resources from activities for generating funds

Income from our shops, through the sale of donated goods, and from the sale of Christmas cards and merchandise is accounted for on a receivable basis.

Income generated from events is similarly accounted for on a receivable basis.

### Deferred income

Fees, grants or donations received in a financial year in advance of related services, or events to be performed in a later financial year, are treated as deferred income.

### Resources expended

Resources expended are recognised in the period to which they relate and when a liability is incurred. Expenditure is reported inclusive of irrecoverable value added tax.

The activities classifications within Costs of Charitable Activities consist of direct costs specific to these activities together with apportioned indirect support costs attributable to each activity category.

Costs of generating funds within the Statement of Financial Activities (SoFA) are those incurred in seeking voluntary contributions from individuals, organisations, trusts and corporations in furtherance of the charity's objects. Costs of activities for generating funds consist of direct shops' expenditure, costs of fundraising events and costs of cards and merchandise purchased for resale. An

apportionment of general fundraising costs and indirect support costs are also included within the expenditure reported in the SoFA.

## Support Costs

Support costs consisting of the head office functions of finance, human resources, ICT, general administration and management are apportioned across charitable activities and costs of generated funds on the basis of staff costs.

## Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the charity, and includes the audit fee and costs associated with the strategic management of the charity.

## Fixed assets and depreciation

Using the following methods, depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives:

In equal annual instalments:

- Freehold Property - 50 years
- Long leasehold and leasehold improvements - over the remaining life of the lease
- Equipment & furniture - over 4 years
- Motor vehicles - over 4 years

Purchases of fixed assets valued at £2,500 and above are capitalised, otherwise they are expensed to the SoFA and Income and Expenditure Account.

Fixed assets are reviewed for impairment if events or circumstances indicate that the carrying value is higher than the recoverable amount.

## Investments

Investments are valued at cost unless their market value is less than cost.

## Leases

Assets acquired under finance leases and hire purchase contracts are included under fixed assets in the balance sheet. The related liability is included in creditors. Operating lease rentals are charged to the income and expenditure account in the period in which they are incurred.

## Pension costs

Pension benefits are funded over the employees' periods of service. The company's annual contributions are based on actuarial advice and are charged to the income and expenditure account in the period to which they relate. Refer to note 12.

## Taxation

The company has been granted relief from Corporation Tax under Section 478 (onwards) of the Corporation Taxes Act 2010. The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

## Fund accounting

General Funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted Funds are funds which are subject to special conditions imposed by the donor. The funds

are not therefore available for work performed by Sense Scotland other than that specified by the donor.

***Significant Restricted Funds:***

- Residential and Community Services, Individual & Family Services and Children's Services are made up of fees and grants paid to Sense Scotland in relation to the core business of providing direct service related activities.
- Education & Training and Policy & Innovation are made up of funds which have been paid to Sense Scotland for the purposes of bring added value to service users lives and to develop training opportunities for staff.

Designated Funds are those funds which have been set aside for a particular purpose, out of General Funds, by the Trustees.

***Significant Designated Funds:***

- Residential and Community Services is a designated to develop fixed assets within direct service areas.
- Policy & Innovation and Education & Training have been designated to develop the organisation through TouchBase 2 and investment in the IT infrastructure and to set aside funds to cover unrecoverable debt and reductions in local authority income for short periods to ensure service expenditure is reduced to an acceptable and sustainable level.

Transfers between funds are determined on an annual basis as part of the charity's budgetary process. The Trustees determine the level of funds which are required to be set aside in designated funds, from unrestricted funds, to pay for planned expenditure.

**Stocks**

Donated stocks received into the shops are valued at the lower of cost and net realisable value. Unsold donated items are not included in closing stock since their cost is nil and their value is uncertain until sold. Purchased stock items are considered to be wholly immaterial and are not reflected in the closing stock position. Sense Scotland does not buy in significant amounts of stock for resale by the shops with such items including only Sense Scotland merchandise of immaterial value.

**Financial Risk Management Policy**

Risk management is carried out under policies approved by the Board with financial risks being identified, evaluated and responded to by the Audit and Risk and Finance Committees.

***Currency Risk***

Sense Scotland operates almost wholly within the UK and is exposed to minimal currency risk. The organisation's borrowings are denominated in Sterling. Currency risk arises primarily with respect to the Euro and from future commercial transactions and trade assets and liabilities in foreign currencies.

***Credit Risk***

Sense Scotland has no significant concentration of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

***Liquidity risk***

Prudent liquidity management implies maintaining sufficient cash balances and the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the underlying business the aim is to maintain flexibility in funding by keeping committed credit lines available.

***Cash Flow Interest Rate Risk***

Sense Scotland has no significant interest bearing assets and its income and operating cash flows are substantially independent of changes in market interest rates.

**Notes to the financial statements for the year ended  
31 March 2015**

**1. Incoming resources from Charitable Activities**

	Fees and Allowances	Grants receivable	Total 2015	Total 2014
	£	£	£	£
<b>Residential &amp; Community Services</b>				
Care Homes	1,863,320	5,557	<b>1,868,877</b>	1,838,809
Housing Support projects	10,393,747	39,821	<b>10,433,568</b>	10,462,000
Respite & Day services	4,892,016	97,111	<b>4,989,127</b>	4,617,804
<b>Total Income from Residential and Community Services</b>	<b>17,149,083</b>	<b>142,489</b>	<b>17,291,572</b>	<b>16,918,613</b>
<hr/>				
Individual & Family Services	103,594	161,216	<b>264,810</b>	158,527
Policy, Dev. & Resources	56,962	359,627	<b>416,589</b>	646,413
<b>Total Income from Charitable Activities</b>	<b>17,309,639</b>	<b>663,332</b>	<b>17,972,971</b>	<b>17,723,553</b>

**2. Grants received from statutory authorities and other organisations**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Restricted Grants</b>		
Scottish Government (Malawi Project)	<b>115,920</b>	111,661
Scottish Government (Bangladesh)	<b>90,719</b>	26,047
Scottish Government (VSDF Award)	<b>17,000</b>	29,565
Scottish Government (Section 10B)	<b>20,000</b>	10,000
Scottish Government (Path For All)	<b>10,000</b>	5,000
Scottish Government (Shared Fund for Better Breaks)	-	34,421
Scottish Government (Partners in Communication)	<b>92,800</b>	92,800
Scottish Government (Strategic Partnership)	<b>65,615</b>	67,000
Scottish Government (Third Sector Intervention)	<b>90,251</b>	56,244
Scottish Government (Autism Strategy)	<b>12,096</b>	-
Scottish Natural Heritage	<b>4,223</b>	8,446
Creative Scotland (Year of Natural Scotland)	-	18,750
Creative Scotland (Artist in Residence)	<b>5,000</b>	-
Creative Scotland (Music Initiative)	<b>24,366</b>	5,795
Big Lottery Fund (One Giant Leap)	<b>62,397</b>	54,567
Big Lottery Fund (Arts)	-	11,495
Big Lottery Fund (Award For All)	-	9,100
Tayside NHS	<b>5,350</b>	10,700
NHS Greater Glasgow (Innovation projects)	-	160,922
Glasgow City Council	<b>3,500</b>	4,149
Fife Council (Digital Content Administrator)	<b>19,560</b>	-
Total Restricted Grant	<b>638,797</b>	716,662
<b>Unrestricted Grants</b>		
Scottish Local Authorities and Health Boards (towards services)	<b>24,535</b>	71,301
Total Unrestricted Grant	<b>24,535</b>	71,301
<b>Total Grants Received for the year</b>	<b>663,332</b>	787,963

**3. Incoming resources from generated funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2015 £	2014 £
<b>Voluntary Income</b>					
Donations	499,555	618,941	38,445	<b>1,156,941</b>	706,266
Committed Giving	741,401	993	-	<b>742,394</b>	1,226,763
Legacies receivable	189,748	-	-	<b>189,748</b>	391,167
<b>Total Voluntary Income</b>	<b>1,430,704</b>	<b>619,934</b>	<b>38,445</b>	<b>2,089,083</b>	<b>2,324,196</b>
<b>Activities for generating funds</b>					
Income from shops	1,301,182	-	-	<b>1,301,182</b>	1,287,908
Income from TouchBase Business	163,058	-	-	<b>163,058</b>	140,020
Trading	12,835	-	-	<b>12,835</b>	10,989
Fundraising Events	91,641	-	-	<b>91,641</b>	77,232
<b>Total Income from Activities for generating funds</b>	<b>1,568,716</b>	<b>-</b>	<b>-</b>	<b>1,568,716</b>	<b>1,516,149</b>

**4. Interest receivable and similar income**

	2015 £	2014 £
Interest receivable	<b>70,454</b>	86,263

**5. Costs of Charitable Activities**

	Staff Costs £	Other Direct costs £	Support Costs £	2015 £	2014 £
<b>Residential and Community Services</b>					
Care Homes	1,308,674	402,298	141,010	<b>1,851,982</b>	1,724,045
Housing support projects	9,002,220	987,876	932,768	<b>10,922,864</b>	10,993,842
Respite & Day services	3,415,835	1,004,436	398,118	<b>4,818,389</b>	4,582,759
<b>Total Residential and Community Services Costs</b>	<b>13,726,729</b>	<b>2,394,610</b>	<b>1,471,896</b>	<b>17,593,235</b>	<b>17,300,646</b>
Individual & Family services	189,328	170,417	20,714	<b>380,459</b>	224,306
Policy, development & resources	1,806,444	(758,855)	62,216	<b>1,109,805</b>	1,709,015
<b>Total Costs of Charitable Activities</b>	<b>15,722,501</b>	<b>1,806,172</b>	<b>1,554,826</b>	<b>19,083,499</b>	<b>19,233,967</b>

**6. Costs of Generating Funds**

	Direct Costs	Support Costs	2015	2014
	£	£	£	£
<b>Costs of generating voluntary income</b>				
Donations	164,733	8,338	<b>173,071</b>	208,445
Committed Giving campaigns	639,581	6,711	<b>646,292</b>	876,469
Legacies receivable	13,297	1,633	<b>14,930</b>	15,810
<b>Total Costs of Generating Funds</b>	<b>817,611</b>	<b>16,682</b>	<b>834,293</b>	<b>1,100,724</b>
<b>Costs of activities for generating funds</b>				
Shops	1,475,065	58,430	<b>1,533,495</b>	1,191,712
Trading	18,658	1,319	<b>19,977</b>	29,442
Fundraising Events	60,295	4,004	<b>64,299</b>	124,675
TouchBase Business Centre	151,679	-	<b>151,679</b>	73,634
<b>Total Costs of Activities for Generating Funds</b>	<b>1,705,697</b>	<b>63,753</b>	<b>1,769,450</b>	<b>1,419,463</b>
<b>Total Costs of Generated funds</b>	<b>2,523,308</b>	<b>80,435</b>	<b>2,603,743</b>	<b>2,520,187</b>

**7. Support Costs**

	Finance	Human Resources	Information Technology	Mgmt & Admin	2015	2014
	£	£	£	£	£	£
<b>Residential &amp; Community services</b>						
Care Homes	16,938	29,921	13,346	80,805	<b>141,010</b>	117,279
Housing support projects	112,046	197,922	88,284	534,516	<b>932,768</b>	822,920
Respite & Day services	47,823	84,476	37,681	228,139	<b>398,119</b>	303,379
<b>Total Residential and Community Services</b>	<b>176,807</b>	<b>312,319</b>	<b>139,311</b>	<b>843,460</b>	<b>1,471,897</b>	<b>1,243,578</b>
Individual & Family services	2,488	4,395	1,961	11,870	<b>20,714</b>	14,091
Policy, development & resources	7,474	13,201	5,889	35,653	<b>62,217</b>	156,019
Activities for generating voluntary income	2,004	3,540	1,579	9,559	<b>16,682</b>	20,828
Activities for generating funds	7,658	13,528	6,034	36,533	<b>63,753</b>	62,413
<b>Total Support Costs</b>	<b>196,431</b>	<b>346,983</b>	<b>154,774</b>	<b>937,075</b>	<b>1,635,263</b>	<b>1,496,929</b>

## 8. Governance Costs

	2015	2014
	£	£
Strategic management costs	200	(292)
Auditors' remuneration - audit services	11,750	12,000
	<b>11,950</b>	11,708

There were no non-audit fees payable during the year

## 9. Operating surplus

	2015	2014
	£	£
Operating surplus is stated after charging:		
Depreciation - owned assets	234,414	236,407
Operating lease rentals - property	416,003	392,915
Operating lease rentals - equipment	8,579	8,579

## 10. Staff costs

	2015	2014
	£	£
Wages and salaries	14,883,348	14,718,773
Social security costs	1,010,523	1,040,486
Other pension costs	129,020	166,937
Agency Staff	501,345	483,660
	<b>16,524,236</b>	16,409,856

The average monthly number of persons employed by the company was 761 (2013/14: 726).

Three employees received remuneration greater than £50,000 per annum, in the following range:

- Two employees earned between £60,001 and £70,000
- One employee earned between £70,001 and £80,000

The average monthly number of employees can be analysed as follows:

	2015	2014
	Number	Number
Direct services	647	610
Added Value services	22	23
Shops	44	44
Central services	48	49
	<b>761</b>	726

## 11. Trustees' remuneration

Trustees received no remuneration during the financial year 2014/15 (2013/14: £0.00). No travelling expenses were paid to Trustees during the year (2013/14: £Nil)

## 12. Pensions

Sense are negotiating the withdrawal from the London Pension Funds Authority Superannuation Scheme with benefit preserved based on final pensionable pay. Scheme liability lies with Sense as the member employer, however Sense Scotland accepts that we have a liability to Sense to reflect our previous employee members. Agreement on withdrawal and the level and payment terms of the liability is expected around October 2015.

Sense Scotland operates two defined contribution pension schemes in respect of staff, with NEST managed directly by Sense Scotland and Aviva managed by Sense. Both schemes and their assets are held by independent managers. At the 31 March 2015 there were no pension charges due for NEST and there was a liability of £4,569 due to Sense in respect of pension contributions for Aviva for February and March 2015.

## 13. Tangible assets

	Freehold Property £	Long Leasehold £	Equipment & Furniture £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 April 2014	6,801,871	577,338	573,547	259,175	<b>8,211,931</b>
Additions	170,000	-	-	8,960	<b>178,960</b>
Write-Off	-	-	(434,611)	(99,476)	<b>(534,087)</b>
At 31 March 2015	6,971,871	577,338	138,936	168,659	<b>7,856,804</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	823,096	259,189	492,348	110,110	<b>1,684,743</b>
Charge for the year	139,437	7,900	33,365	53,712	<b>234,414</b>
Write-Off	-	-	(434,611)	(99,476)	<b>(534,087)</b>
At 31 March 2015	962,533	267,089	91,102	64,346	<b>1,385,070</b>
<b>Net book value</b>					
At 31 March 2015	6,009,338	310,249	47,834	104,313	<b>6,471,734</b>
At 31 March 2014	5,978,776	318,149	81,200	149,064	<b>6,527,189</b>

### Write-Off

Several Motor Vehicles and equipment which had been fully depreciated and were no longer in existence were written off.

#### 14. Debtors

	<b>2015</b>	2014
	<b>£</b>	£
Fee debtors	<b>1,733,966</b>	1,916,114
Other debtors	<b>29,017</b>	133,322
Prepayments and Accrued Income	<b>120,790</b>	541,747
	<b>1,883,773</b>	2,591,183

#### 15. Investments

	<b>2015</b>	<b>2014</b>
	<b>£</b>	£
As at 1 April	1,682	1,682
Sold	(1,682)	-
As at 31 March	-	1,682

The asset investment of £1,682 in 2013/14 represented 280 units in the Equities Investment Fund for Charities. These were sold in 2014/15 and there are currently no investment held.

#### 16. Creditors: Amounts falling due within one year

	<b>2015</b>	2014
	<b>£</b>	£
Bank and other borrowings	<b>53,055</b>	50,793
Amounts owed to group undertakings	<b>46,504</b>	24,016
Taxation and social security	<b>255,610</b>	259,673
Other creditors	<b>116,102</b>	140,004
Accruals and deferred income	<b>304,237</b>	319,452
	<b>775,508</b>	793,938

No amounts included above fall due after more than one year.

**17. Creditors: Amounts falling due after one year**

	<b>2015</b>	2014
	<b>£</b>	£
Bank and other Borrowings	<b>581,234</b>	634,290
	<b>581,234</b>	634,290

The secured Bank loan is in respect of 43 Middlesex Street, Glasgow and Fleuchar Street, Dundee which was financed by a loan from HBOS who have first charge on the property. The 43 Middlesex Street loan is payable in equal instalments over 18 years at 6%. The Fleuchar Street loan is 20 years at an interest rate of 5.97%.

**Total loans are payable as follows:**

	<b>£</b>	£
Second to fifth year inclusive	<b>251,036</b>	236,464
After five years	<b>330,198</b>	397,826
	<b>581,234</b>	634,290

## 18. Movements / Analysis of Funds

	Total Funds 1 April 2014	Income	Transfers	Expenditure	Total Funds 31 March 2015
	£	£	£	£	£
<b>Restricted Income Funds</b>					
Residential & Community Services	1,479,283	137,915	-	(251,301)	<b>1,365,897</b>
Individual & Family Services	79,284	267,118	-	(322,458)	<b>23,944</b>
Childrens Services	660,642	191,103	-	(223,945)	<b>627,800</b>
Education & Training	162,804	166,304	-	(203,561)	<b>125,547</b>
Big Lottery	43,785	62,941	-	(58,903)	<b>47,823</b>
Policy & Innovation	386,539	330,497	-	(280,204)	<b>436,832</b>
Fundraising	61,083	-	-	(5,008)	<b>56,075</b>
<b>Total</b>	<b>2,873,420</b>	<b>1,155,878</b>	<b>-</b>	<b>(1,345,380)</b>	<b>2,683,918</b>
<b>Designated funds</b>					
Residential & Community Services	435,544	-	109,497	-	<b>545,041</b>
Individual & Family Services	1,380	-	32,000	-	<b>33,380</b>
Education & Training	1,221,260	-	(18,615)	(14,817)	<b>1,187,828</b>
Policy & Innovation	4,939,974	210,762	148,258	(453,713)	<b>4,845,281</b>
Shops	129,429	31,333	-	(67,534)	<b>93,228</b>
Fundraising	(269,121)	377,839	-	(540,609)	<b>(431,891)</b>
<b>Total</b>	<b>6,458,466</b>	<b>619,934</b>	<b>271,140</b>	<b>(1,076,673)</b>	<b>6,272,867</b>
<b>General Funds</b>					
Legacies	-	189,748	(189,748)	-	-
General I & E Account	3,902,082	19,735,664	(81,392)	(19,277,139)	<b>4,279,215</b>
<b>Total</b>	<b>3,902,082</b>	<b>19,925,412</b>	<b>(271,140)</b>	<b>(19,277,139)</b>	<b>4,279,215</b>

Fundraising Campaigns is in a negative position at the year end as it reflects investments in Fundraising Campaigns where income will be generated over a period 10 – 15 years. It is anticipated that expenditure on each individual campaign is recovered fully within a maximum of 3 years.

Transfers consist of unrestricted funds which have been designated by the Trustees for specific purposes and the standing agreement to transfer any legacy income to cover Touchbase historical capital costs.

## 19. Analysis of net assets balances among the funds

	Fixed Assets	Net Current Assets	Long Term Liabilities	Total funds 2015	Total funds 2014
	£	£	£	£	£
Restricted funds	1,391,828	1,292,090	-	<b>2,683,918</b>	2,873,420
Designated funds	4,662,847	1,610,020	-	<b>6,272,867</b>	6,458,466
General funds	417,059	4,443,390	(581,234)	<b>4,279,215</b>	3,902,082
<b>Total</b>	<b>6,471,734</b>	<b>7,345,500</b>	<b>(581,234)</b>	<b>13,236,000</b>	13,233,968

## 20. Capital Commitments

We maintain a fund in order to meet future planned capital expenditure, including the development of TouchBase resource bases in other locations.

## 21. Operating lease commitments

	2015			2014		
	Land & Buildings	Equipment	Total	Land & Buildings	Equipment	Total
Operating leases which expire:	£	£	£	£	£	£
Within one year	132,699	8,579	<b>141,278</b>	147,332	8,579	<b>155,911</b>
Second to fifth year inclusive	98,185	-	<b>98,185</b>	74,818	-	<b>74,818</b>
After five years	118,100	-	<b>118,100</b>	100,075	-	<b>100,075</b>
	<b>348,984</b>	<b>8,579</b>	<b>357,563</b>	<b>322,225</b>	<b>8,579</b>	<b>330,804</b>

## 22. Company limited by guarantee

The company has no share capital. The liability of the sole member, Sense, the National Deafblind and Rubella Association, is limited by guarantee. Sense, the National Deafblind and Rubella Association, has undertaken to contribute such amount not exceeding one pound as may be required in the event of the company being wound up. Sense, the National Deafblind & Rubella Association, is for accounting purposes the parent company of Sense Scotland whose financial statements are therefore consolidated into their Financial Statements. The Registered Office of Sense, the National Deafblind & Rubella Association is: 101 Pentonville Road, London, N1 9LG

## 23. Related Party Transactions

Five Trustees have children who are service users. £365,094 of fees and allowances income (£324,858 2013/14) was received in relation to these service users during the year. £21,985 (£19,299 2013/14) was included within the debtor balance as at 31 March 2015 in relation to transactions of this nature with trustees.

## **24. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent undertaking and controlling party is Sense, the National Deafblind and Rubella Association, a charitable company incorporated in the United Kingdom.

Sense, the National Deafblind and Rubella Association is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2015. The consolidated financial statements of Sense, the National Deafblind and Rubella Association are available from 101 Pentonville Road, London, N1 9LG.