

SCOPE

 Equality for
disabled people

Annual report and consolidated accounts

For the year ended 31 March 2022

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Trustees' report

The Board of Trustees presents the Trustees' report and audited consolidated financial statements for the year ended 31 March 2022.

The Trustees' report includes a Strategic report. These two reports together meet the requirements for a Directors' report. This is required by the Companies Act 2006 and by the Strategic Report and Directors' Report Regulations 2013. In approving the Trustees' report, the Board of Trustees has also approved the Strategic report.

Chair's report

The pandemic continued to devastate people's lives last year and amongst the hardest hit were the UK's 14 million disabled people. Almost two thirds of people who have died because of Coronavirus were disabled.

Many disabled people and their families have endured months of isolation through shielding, faced financial hardship and lost their jobs. Throughout all of this, Scope has been there to provide information and support, and to make sure that their experiences were being heard in the media and by Government.

The pandemic brought into sharp focus the many inequalities faced by disabled people in our society. As we now look to the future, it's vital we work together to fight for equality. But Scope can't do this alone. It's the job of all of us – businesses, schools and communities to make sure disabled people have fairness, respect and equality.

If the pandemic has shown us anything positive, it's that flexibility is possible. So let's build on these lessons, to open up more job opportunities for disabled people and create more inclusive experiences.

As we enter Scope's 70th anniversary year in 2022, we can reflect on the tremendous amount that's changed for disabled people. But a key factor that persists is the negative attitudes disabled people often encounter in everyday life.

It is challenging these assumptions, judgements and stereotypes that will be the driving force behind this year's programme of work.

We'll use our collective power to change attitudes and end injustice through campaigning, providing advice and support, and engaging with all our supporters.

We'll publish new research into the attitudes disabled people currently face, as well as providing tools to improve those attitudes.

As a campaigning organisation, we're focused on making sure every disabled person has the opportunity to reach their potential. We'll keep calling for change, with campaigns to make sure more disabled people are able to find a job, interact with the welfare system and live independent lives.

We intend to grow our influence and reach, while amplifying the voice of disabled people and their families on the issues that matter to them.

The first Scope Disability Equality Awards will celebrate the very best our communities have to offer and highlight the huge amount of disabled talent that exists in Britain today.

At the same time, it's vital we continue to diversify our income and build impactful partnerships.

All our stores across England and Wales have a close network of volunteers and customers. We want to put greater emphasis on the communities of these shops. We'll be creating new stores that offer a fully inclusive retail experience, as well as providing information and advice to local disabled people.

And finally, we'll champion equality within Scope through a new approach to equality, diversity and inclusion.

This year also marks the final year of our current Everyday Equality strategy. We're excited at the prospect of consulting and engaging our networks, so we can make sure our focus in the years ahead is on the issues that matter most – where we can achieve meaningful and lasting change for disabled people.

A handwritten signature in dark ink, appearing to read 'R Millar', with a long, sweeping flourish extending upwards and to the right.

Robin Millar

Chief Executive's report

Last year started with an important moment. On 12 April 2021, the third national Covid lockdown came to an end, meaning we could plan to resume in person services, re-open our shops and begin socially distanced face to face fundraising once again.

We continued to work from home, reaching even more disabled people and their families digitally. As restrictions eased, we decided to adopt flexible working in the longer term. The organisation is now settling into a new hybrid approach, with time split between home and office. This is likely to evolve, as we strive to find the very best way of working.

Throughout the year, we kept all our services running at full capacity wherever we could. We're starting face to face services again, all over the country. This is an important direction for Scope – using our network of shops to grow our presence in local communities.

Initially, there was a surge of support on our high streets, with record breaking sales. We've remained open for business since and although sales did settle, we ended the year with better results than planned.

We were able to scale up our individual giving fundraising too, recovering some of the ground lost during the peak of the pandemic. Support from our partners also remained strong. As a result of this, total income for the year exceeded our plan.

Our partnerships continued to expand. We strengthened relationships with the utility companies, to tackle energy costs. We also worked with several large organisations to find solutions to the disability employment gap – enabling more disabled people to get into the workplace and flourish there, especially young people at the start of their career.

As we ended the year, our focus on energy costs became even more vital. We know disabled people already face higher costs in their everyday lives. This is now getting worse, with significant increases in the cost of living and energy bills in particular.

At the end of July 2021, the Government finally published the National Disability Strategy. It fell short of the transformational plan that many disabled people expected and deserve. But it did include a number of specific commitments from individual Government departments, such as action to improve public transport.

Taken together, these commitments have the potential to make a difference to disabled people's lives. So we supported the strategy and we looked to work with Government to bring it to life. At the end of the year, it was still unclear how many of the commitments will actually be delivered. This will be an ongoing focus for us.

While last year continued to be full of obstacles, it also encouraged us all to be pioneering and courageous – two key values at Scope.

The pandemic has made it very clear that disabled people continue to be treated unfairly and unequally in many areas of life. With Scope now entering its 70th anniversary year,

we have an opportunity to focus even more on the negative attitudes disabled people still face, while recognising the achievements of disabled people and their allies in seeking to drive change.

Our focus on attitudes will provide the platform for us to have a bigger voice this year and beyond.

At the moment, Scope as a brand is well known. But we do need to work harder to increase awareness of our mission, particularly in our communities and through our shops.

Our people and volunteers remain essential to us delivering our messages and our work. That's why we're seeking to establish volunteering as a strong route to employment in communities around the country, while continuing to focus at all times on keeping our volunteers safe.

For our colleagues, against the backdrop of significantly increased costs of living, we completed a major review of rewards to check all colleagues are consistently and fairly paid against the benchmarks for their roles. The review also made sure our lowest paid colleagues receive the National Living Wage. The wellbeing of our people continues to be a focus. We've introduced an ongoing programme of guidance and activities for managing wellbeing.

Safeguarding is a key responsibility of any charity. This was a key focus during the past year, especially with our shops re-opening. We provided extensive training and reporting, as well as reviewing our approach to non-recent abuse. It's so important we encourage anyone to approach us with any concerns they may have.

Despite the Covid crisis having an impact throughout last year, Scope remains financially secure. Recovering our growth in income and building in our recent cost efficiencies has kept us in a good operational position.

We're now looking ahead to how we can use an appropriate proportion of our free reserves to invest further in our charitable purpose and grow our income for the long term. We welcome discussions about this with potential partners as we move forward.

This year is the final year for our current Everyday Equality strategy period. So it's a crucial time – for understanding the impact we've already delivered and looking at where we should go further to deliver true sustainable change.

I want to take this opportunity to say thank you to every one of you who has helped us and continues to help us achieve everyday equality for disabled people.

Our work is only possible thanks to our 850 colleagues, over 4,000 volunteers and our many supporters, campaigners, fundraisers and shoppers. Special thanks are also due to our Trustees and Independent Committee Members, patrons, ambassadors, corporate partners and funders. We simply couldn't do this without you.

Every pound we raise is extremely important to us – in 2021/22 for every £1 we spent (excluding the cost of running our shops), 66% was spent on our charitable goals to help disabled people and their families (2020/21 73%).

Although this represents a decrease in the percentage, the total spent on our charitable activities increased by £2.5 million (23%). The overall ratio reflects our decision to reinvest in our fundraising efforts, to regain vital income for the future. This investment is a cost now, but it will generate a higher return to use on our charitable purpose.

At Scope, we won't stop until we achieve a society in which disabled people have the same opportunities as non-disabled people. We know we still have a long way to go until disabled people and their families experience everyday equality. But with your support, we'll make this happen.

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

Mark Hodgkinson

Our objects and public benefit

Objects

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

Public benefit aims

In exercising relevant powers and duties, the Board of Trustees has considered the Charity Commission's guidance on public benefit. This report outlines how our performance during the year to 31 March 2022 has benefited the public.

Strategic report

Our vision

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

Our mission

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

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

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

Our impact

Last year, we reached **over 3.5 million** people with some of the essential support they needed to make informed decisions and live more independent lives – through our helpline, our online information and advice, and our online community.

That figure is 1 million more people than the year before. And we grew the number of people campaigning with us to **over 60,000**.

More details on all of our work will be available in our impact report 2021/22.

Cerebral Palsy

We continued to provide specialist information and support on Cerebral Palsy through our online community, website and helpline. We launched a monthly meet-up for people with an interest in Cerebral Palsy and Scope's work. We also co-sponsored a cross-party parliamentary group looking at removing barriers for adults with Cerebral Palsy, which published its findings in March 2022. As we begin to map out our new strategy we will continue to investigate unmet needs in relation to Cerebral Palsy. Where those needs can't be addressed through our pan disability work, we will strive to work together with the Cerebral Palsy community to identify other means to address them.

Supporting disabled people

Our information and advice services have been a vital source of support for disabled people and their families. From dealing with unemployment to understanding workplace rights, financial support to securing supermarket delivery slots – we've been there for people when they've needed us most.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Information and advice and delivery of services.

Independence

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

Charitable activities listed in the Statement of Financial Activities that contribute to this: Independence.

Supporting disabled people to be more independent

Last year, we provided **3,549,601** people with some of the essential support they needed to make informed decisions and live more independent lives – through our online information and advice, and our online community. Our helpline responded to **33,947** calls for support via telephone and email.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Information and advice and independence.

Supporting disabled families

There are more than one million disabled children in the UK. To get the best start in life, it's vital disabled children – and their families – get the support they need early on.

However, often due to funding cuts and lack of resources, many families are finding it difficult to get this support. During the pandemic, for example, 75% of families reported delays to routine health appointments for their disabled child.¹

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

Charitable activities listed in the Statement of Financial Activities that contribute to this: Get the best start in life and delivery of services.

Our family services

- Overall, we increased the number of families we directly supported through our tailored family services from 1,687 in 2020/21 to **2,058** in 2021/22.
- Our Sleep Right service worked with **1,037** families to improve their disabled child's sleep (81% reported improved sleep) and parents' resilience and wellbeing.
- Navigate, our national mentoring service, provided practical and emotional support for **478** parents and carers of disabled children.
- Through our Parents Connect support programme, we worked with **145** parents and carers in scheduled groups, and a further **103** parents joined our one-off workshops.

¹ Disabled Children's Partnership – The Longest Lockdown (2021)

- Our Activities for All inclusion service supported **295** families with information and advice. **109** disabled children were supported to access mainstream activities and **145** mainstream settings were supported to become more inclusive for disabled children.
- This year and in line with the success of our community engagement programme, we'll expand our community work to include young disabled people. And we'll take a local approach to establish our new and exciting programme of work – the Scope Youth Community Collective, supported by Barclays.

Throughout last year we continued to see the impact of the pandemic on families of disabled children. Other support services have been slow to re-open and waiting lists for statutory support have grown, meaning many families are having to wait up to two years to access support from Health and Social Care services. This has had an impact on the complexity of needs that families come to us with – we've noticed an increase in concern about mental health from both parents and disabled children.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Get the best start in life and delivery of services.

Employment and welfare

The disability employment gap is the difference between the employment rates of disabled people and non-disabled people. Right now it's stuck at around 30%. We're working to improve this.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Influencing and campaigning.

Our employment support

After providing all our employment services online or by phone in 2020/21, we cautiously started working in person again – delivering small group sessions or one-to-one sessions with people who requested it. We continued to offer the majority of our services online or by phone. This new hybrid delivery method helped us reach around 19% more people than in 2020/21.

Our national employment service Support to Work reached **812** disabled people, enabling **283** to find paid work within 12 weeks.

Through our one-to-one support programme Kickstart, we also enabled **212** disabled people to achieve their career goals.

And our pre-employment training programme, Starting Line, supported **349** disabled people at the start of their journey into work.

2021/22 saw the second full year of delivery on our Working on Wellbeing service with **315** disabled people supported by both Scope and our expansion partners, Whitehead Ross, Leonard Cheshire and Resource Wales. Our final expansion partner joined us in April 2022. We continue to deliver this service with our funding partner Legacy International Group.

After launching our tailored in-work support service during 2020/21, last year we took it from strength to strength. We provided **134** disabled people with tailored in-work support, enabling **30** to find additional employment after their original roles were changed.

Advisers at our Deloitte-funded Career Pathways programme provided independent careers advice to **402** young disabled people 201 % over our yearly target. This year we'll expand the Career Pathways Programme into Leeds, with additional support made available by Barclays.

In January 2022 we launched a pilot service in Manchester, to discover if an individualised support pathway would be a more inclusive and effective way of supporting disabled people into employment. This initial pilot will run for six months before being reviewed for impact. In the three months since launching, the service supported **22** disabled people with **three** entering work.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Delivery of services and being financially secure.

Campaigning for change

We launched our Benefits Without the Fight campaign, calling on the Department for Work and Pensions to improve the welfare system for disabled people. Over 30,000 people signed our letter calling for specialist assessors to be introduced into the welfare assessment process. Over 540 MPs received information from their disabled constituents about the campaign, and 57 MPs attended Scope's parliamentary drop-in.

As a result, we've seen Government and policymakers take significant action. MPs raised questions in parliament, bringing issues about the experiences of disabled people to the Government and Parliament's attention.

We also partnered with ITV to raise awareness of invisible disabilities. Launched straight after an episode of Coronation Street in August, the campaign aimed to shift attitudes towards disability and disabled people. The campaign, run over 6 weeks, reached 28.2 million adults – with 43 per cent of viewers reporting increased awareness of invisible disabilities and 43 per cent feeling more confident talking about disability.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Influencing and campaigning.

Working in partnership

We can't achieve our goals alone. That's why we've been working in partnership with lots of other organisations to champion more inclusive and accessible workplaces.

Through our bespoke Get Inclusive programme, we supported 13 employers last year to be more inclusive in the way they recruit, retain and progress disabled employees.

Consulting firm Deloitte funds our Career Pathways service for young people and 50 of their employees have been supporting disabled people through mentoring, workshops, and helping with interview preparation. In return, we've provided sessions to support their staff to open up conversations around disability in the workplace.

To date, our employment information and advice has reached more than **one million** disabled jobseekers providing everything from light touch information to in depth employment coaching.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Influencing and campaigning and being financially secure.

Extra costs

Disabled people face a price tag of £583² a month. These are costs that non-disabled people don't experience – they represent an unfair financial penalty for disabled people.

We're working with businesses to tackle this. Together we're making sure disabled people don't have to pay a higher price for non-specialist goods or services, like insurance. We also want to find ways to reduce costs for services they may need to use more of, like gas and electricity.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Being financially secure.

A fairer energy market

We know many disabled people need to use more energy – to power their assistive technology, for example, which means higher bills. Over the past few years, this has got much worse as people have needed to shield and stay at home while costs have risen significantly.

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

January 2021 also saw the launch of our own dedicated Disability Energy Support helpline. Last year it supported disabled people to identify £744,356.71 of savings.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Delivery of services and being financially secure.

Community engagement

We continued to run our community engagement programme in five locations across England, with funding from the People's Health Trust up to March 2022. The programme aimed to empower disabled people to take action and create positive change in their local communities.

This year, we'll expand our community engagement programme to reach more communities across the country. It will involve distributing £1.5 million pounds to local disability groups

² Scope – The disability price tag (2019)

and charities, using funds made available to Scope by the Association of British Insurers through the Charity Aid Foundation Resilience Fund.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Delivery of services.

Making travel fair

After three years of campaigning, last year we secured commitment from Government to create a Disabled Passenger Charter – a resource that brings together disabled people's rights across all modes of public transport in a single place. We know information is often fragmented, and it can be difficult to understand your rights when using public transport. We want the Passenger Charter to change this.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Independence, influencing and campaigning and delivery of services.

Putting disabled people at the heart of what we do

Disabled people and their families' experiences are key to everything we do. We now have **over 100** storytellers who share their stories publicly to make everyday equality a reality. In the last year alone, **82** of our storytellers lent their support to Scope projects, and **55** were featured in regional and national media.

We've grown our Research Panel to include over 1,500 disabled people and parents and carers of disabled children. The Panel helps us gather insights and develop new products and services, making sure they meet disabled people's needs. Last year, hundreds of panellists also reported on the issues they were facing during the first lockdown, informing our wider response to the pandemic.

In 2021, we launched our first co-produced public engagement campaign, Power Up and Play seeking to engage people in disability equality through gaming. We worked alongside disabled people to create the campaign and evaluate it. Co-production is fundamentally important to us and it's an approach we're fully committed to, across everything Scope does.

Charitable activities listed in the Statement of Financial Activities that contribute to this: Influencing and campaigning.

Looking ahead

This year, we'll continue to progress work towards our Everyday Equality goals. Across the areas of employment, welfare, extra costs and family support, we'll push Government, businesses and the public to work with us in addressing inequalities and removing barriers disabled people face.

We'll seek to co-produce much of our work with disabled people and families, and we'll build on the changes we've had to make to our services during the pandemic to provide information, support and advice to disabled people who need it most.

We'll also focus this year on addressing the numbers of disabled people trapped in poverty. We'll look to raise the profile of our diverse disabled community and challenge negative

attitudes towards disability. And we'll continue to work with energy companies on addressing some of the extra cost of disability, finding ways to drive these down.

Financial review

Overview

For most charities, 2021/22 has been a year of significant upheaval. Like many others we've had to respond to the pandemic to continue operating in an environment that's not only presented disabled people with unprecedented challenges but also placed severe and changing restrictions on our activity.

We maintained all our online services to continue providing support to disabled people and their families. Our campaigning and social change activities stayed focused on being the voice of disabled people throughout the crisis. As the restrictions eased, we worked closely with businesses and Government, alongside our partners in the Disability Charities Consortium (DCC), to provide additional support to those who are disproportionately impacted by the pandemic and who remain vulnerable.

We continue to monitor the ongoing operational and financial impacts of Covid and we're using reserves to balance expenditure where we can't wholly mitigate these effects.

We re-opened our shops in April 2021 and returned to face to face fundraising on a socially distanced basis. Because the Covid restrictions in place during 2020/21 made it harder for us to recruit new donors we've invested in fundraising again last year to rebuild our supporter base for the future. Our financial position is still strong, thanks to our incredible existing supporters who've stayed with Scope throughout the many uncertainties of the pandemic, alongside our colleagues and volunteers.

After several years of significant organisational change, some of our investment plans for 2021/22 had to be paused again due to Covid. But we're now in a good position to implement these plans for spending some of our reserves on our charitable purpose and strategic funding this year.

As the Covid restrictions made it harder to recruit new donors, our income in future years will be affected. So, to be able to recover in an environment of uncertainty we'll need to invest.

Income

In 2021/22, we raised a total of £44.2 million (2020/21 £34.1 million). This was above our target for the year by 11% (or 6% excluding Covid-19 Government grants).

This includes:

- £12.8 million from donated income including legacies (2020/21 £13.9 million).
- £5.4 million from grants, fees, and other income (2020/21 £5.3 million) excluding Coronavirus Job Retention Scheme and other Covid-19 Government grants.
- £22.7 million from trading activities including our shops and online sales (2020/21 £9.4 million).

- £2.7 million from the Coronavirus Job Retention Scheme and other Covid-19 Government grants available to organisations affected by the pandemic (2020/21 £5 million).
- £0.6 million from our portfolio of investments (2020/21 £0.5 million).

Expenditure

During the year we spent £14.1 million (2020/21 £11.6 million) on charitable activities supporting our mission for everyday equality – including our helpline, communities, employment and other programmes, as well as our research and influencing work. Excluding strategic spend of £0.6 million (2020/21 £0.6 million), this represents a 23% increase on 2020/21.

Every pound we raise is extremely important to us and we carefully plan our use of resources to get the most impact. In 2021/22, for every £1 we spent, 66% was spent on our charitable activities to help disabled people and their families (2020/21 73%). This is a lower proportion than the previous year because we invested £7.3 million in our individual giving fundraising programme (£3 million more than in 2020/21) to recruit new donors who we couldn't reach during Covid restrictions. This investment will generate future income to fund an increase in our impact through service delivery and influencing activities. In common with most similar charities, our trading activities are not included in this calculation, as our shops operate like other retail businesses, raising net funds through selling merchandise. This percentage is likely to fluctuate over time, but we're committed to increasing it.

£23.7 million (2020/21 £20.4 million) was spent on maintaining our shops for the full year. This includes a higher than usual maintenance and improvement cost on re-opening and ongoing challenges of operating with Covid and other economic factors, like supply chain delays and cost increases. We are following our detailed performance plan to generate a net contribution to our charitable funds, which is expected to increase over the next two years.

Our support costs increased by £1.3 million (21%). This was the result of some costs that we budgeted to increase again as we reinvest in activity that had previously been put on hold. It includes investment in the People team for ED&I, accessibility, reward and retention, as well as investment in continuing to improve our processes and make efficiencies.

Net movement in funds

Our net increase in funds for the year of £0.1 million (2020/21 increase of £0.9 million) is a result of:

- Managing our ongoing operations in the context of the pandemic which generated an operating loss of £0.4 million (2020/21 £1.6 million).
- Strategically investing £0.6 million (2020/21 £0.6 million).

- Unrealised gains on investments of £0.7 million and defined benefit pension fund actuarial gains of £0.4 million (2020/21 net gain of £3.1 million).

Although we recorded an operating loss for the year, as we emerge from the pandemic, the loss was considerably lower than our budget. This reflects higher than budgeted income across all areas and lower than budgeted salary costs. We aim to increase our income to cover all operating costs in the next two years.

Fundraising and Partnerships

Income

Scope's voluntary income is derived from legacies, donations from individuals, corporate partners and philanthropists, as well as income from community and events. 2021/22 results exceeded expectations, enhanced by a strong performance across individual giving, and a significant donation from the Fidelity Foundation of £0.4 million to support digital transformation. This will make an enormous impact on future supporter communications and therefore both the reach and the impact of our charitable activities.

Overall, total fundraising income decreased by 8% compared to last year, though a larger decrease was anticipated due to the reduction in fundraising activities during the Covid pandemic. This total result was driven by a higher than expected performance across philanthropy and individual giving, offsetting lower than budgeted income from events and legacies.

Expenditure

Returning to face to face fundraising was an important development last year. Alongside an increased level of investment, it will drive strong income growth in future years. While some activities had a welcome return to market, fundraising events have continued to face a challenge from ongoing cancellations and delays due to Covid.

As always, we're truly grateful to all our supporters for their ongoing generosity, enabling Scope to work towards building a society where all disabled people enjoy equality and fairness.

Corporate Partnership highlights of the year include:

- £0.4 million from the HSBC Social Inclusion Fund for co-creation of a new online learning platform service (Learn at Scope).
- £0.5 million from Barclays Covid-19 Community Aid Package for the expansion of Career Pathways Leeds and Scope's Youth Community Collective across five locations in England and Wales.
- Deloitte pro-bono support for our Retail Transformation Project of £0.2 million.
- In 2021/22, we provided digital accessibility training to 47 companies and have given inclusive employment support to 13 companies.

- In August 2021, ITV and Scope launched a campaign to promote a better understanding of invisible disabilities and to help people become good allies to disabled people. The 'Invisible Disabilities' campaign launched at primetime, just after Coronation Street. The campaign has reached 28.2 million adults and [itv.com/disability](https://www.itv.com/disability), has received over 31,000 visitors and won the British Diversity Awards 'Marketing campaign of the year'.

Through this collaboration we've had the opportunity to raise awareness around disability, specifically invisible disabilities, and to further educate people. It's inspired a real shift in attitudes and behaviour, resulting in people behaving more considerately. Data shows 43% of viewers are now more aware that people might have an invisible disability. A third of respondents now have a broader view of what is meant by disability, while 18% agreed it's made them more considerate of invisible disabilities in their day-to-day interactions.

The campaign has also empowered disabled people, making them feel more seen and heard:

- 71% agreed this felt different to other disability centred communication seen on screen.
- 43% felt more confident in telling others about their disability.
- Nearly two thirds (64%) of respondents said this campaign made them feel seen, with 47% agreeing it made them feel empowered.

Scope also continues to work with the utilities industry to help them understand disabled customers, the barriers and the extra costs they face aiming to achieve better outcomes for disabled people and their families. The Scope Utilities Membership shares best practice and helps drive change across the industry.

During 2021 we increased our Scope Utilities Membership from five to eight companies. We carried out 10 utility research projects to help companies understand their disabled customers and improve their services. We reviewed the accessibility of six different network and supplier websites. We've trained hundreds of energy sector employees in disability awareness. We presented at four industry events to publicise our research findings.

Retail

Since re-opening our shops in April 2021, trading levels have been very positive, performing ahead of budget by £0.9 million.

We continued to improve the quality of our retail portfolio in 2021/22, closing six of our less profitable stores alongside refitting and refurbishing two stores in Bexleyheath and Gosforth. We're planning further investment in new store openings, store relocations and a refit programme, including new enhanced layouts and branding to maximise sales and provide a fully accessible experience in the community.

In 2021/22 we continued our planned expansion of our e-Commerce offering, opening a dedicated warehouse and refreshing our product range.

We continue to be supported by corporate donations from our amazing partners. Our retail corporate partners in 2021/22 included ASOS, Amazon, Boden, boohoo, DPD, Dune, LaundryRepublic and M&S.

Investing in our future

In the year to 31 March 2022, we spent £0.6 million on strategic investment for the future. This included the implementation of the first stage of our Customer Relationship Management (CRM) system to provide a better experience for the people we help and our supporters. The second phase of this implementation is in development, expecting to complete in 2022/23. We've also invested in our operational planning model and in data and insight for our digital legacy acquisition programme.

We have a further £2.5 million held in a designated reserve for strategic investment projects in the next two years – designed to increase our impact, increase our ability to generate future income and improve our operating efficiency.

Reserves policy

We hold reserves to make sure we have enough money to keep operating should our income fall or costs unexpectedly increase, as has happened through the pandemic. Reserves are also held to take advantage of strategic investment opportunities to further our mission. Every year we review the reserves policy, taking into account our strategy, our financial position and the risks assessed on the Corporate Risk Register. The Trustees are responsible for allocating these resources carefully for use by the charity.

In 2018 our reserves were increased significantly by the profit on divestment of our regulated services. Since then, we've implemented a significant programme of transformation to become the organisation that Scope is today. We'll continue to invest in our strategic goals in 2022/23, as well as develop a new strategy to take us to 2026.

We created a designated fund in 2017/18 to transform our organisation and deliver our Everyday Equality strategy. This investment includes building our future charitable offer, improving our infrastructure, using more digital technologies and making sure we grow and diversify our income generation activities. At 31 March 2022 the fund had a balance of £2.5 million, based on our current three-year plan for investment.

We also hold a reserve which is designated to the defined benefit pension scheme. Following a valuation of the scheme during the year, we increased the amount secured for the scheme by £2.3 million to £6.5 million.

Free reserves are defined as net assets excluding restricted funds, designated funds and funds used to acquire fixed assets for the charity's own use. The level of free reserves at 31 March 2022 for the group was £30.9 million (compared to £32.5 million at 31 March 2021). Note 23 to the financial statements shows the calculation of free reserves. £2.2 million of free reserves were utilised during the year on charity operations and pension funding which was offset by £0.6 million in unrealised accounting gains on investments.

The balance at 31 March 2022 of £30.9 million is made up as follows:

- We hold a minimum of £15 million in free reserves in order to protect the financial future of the charity and make sure it can continue to operate in times of uncertainty. This amount is reviewed each year by the Board of Trustees.
- In addition, our business plan budget includes planned investment of £8.1 million of our free reserves over the next two years to fund our impact on the lives of disabled people while we recover from the impact of the pandemic, maintain and develop our services and campaigning activity and proceed with our strategic investment plans. This investment will also drive income for the future so we can deliver an even greater impact on the lives of disabled people for the long term.
- The Board of Trustees will consider the remaining amount of free reserves above our minimum policy level (£7.8 million) as part of the development of the next phase of our strategy between now and November 2022 - the intention is to put these funds to use in the next few years to support our charitable purpose while keeping our financial position under constant review.
- In the medium term we expect free reserves to be reduced in line with our policy.

Going concern

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

Investment policy and performance

During the year to 31 March 2022 our investment objectives were to:

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

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

At the time of writing this report, the Finance Committee are actively reviewing the investment policy given the economic environment and the charity's current requirements.

We have applied an ethical approach to our investments policy:

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

The performance of the investment portfolio is formally assessed against the above criteria every year by the Finance Committee. Our investments were worth £40.2 million at 31 March 2022 (compared to £40 million at 31 March 2021).

The overall performance of the portfolio for the year ended 31 March 2022 was 4.1% ahead of the benchmark. The asset allocation at 31 March 2022 was 31% bonds, 24% equities and 45% cash and cash equivalents.

The portfolio includes a sub-fund created to provide security to the Scope Pension Scheme. The balance on this fund at 31 March 2022 was £6.5 million, all of which is secured for the Pension Scheme. The portfolio includes a separate cash and cash equivalents fund of £6.2 million held separately in short-term assets to be used for planned strategic investment.

Review of Scope subsidiaries

During the year ended 31 March 2022, we had two active subsidiaries:

- Scope Central Trading Limited
- Scope (IP) Limited

The activities of the subsidiaries, their assets and liabilities are included in these financial statements on a line-by-line basis. Transactions between subsidiaries such as sales from one entity to another are taken out when consolidating the group accounts. Details of all our subsidiaries, including those which no longer trade, are given in notes 9 and 16.

Scope Central Trading Limited

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

The turnover for the year was £1.2 million (compared to £0.8 million in 2020/21). Net operating profit before the Gift Aid payment to Scope was £0.3 million (compared to £0.4 million in 2020/21). Due to Government Covid restrictions the shops were closed for several months during 2020/21 which had a direct impact on turnover for that year.

Scope (IP) Limited

The company's main activities are generating income from intellectual property.

Environmental impact

We continue to move ahead in considering and minimising the impact that we have on our world while we strive to deliver our Everyday Equality agenda. As part of this work on impact we're sharing the measurements of our carbon footprint. We considered this across three main areas:

- Direct emissions from activities owned or controlled by Scope that release emissions into the atmosphere. Emissions are generated from natural gas and are related to vehicles owned or leased by Scope.
- Indirect emissions released into the atmosphere associated with our consumption of purchased electricity.
- Other indirect emissions that are a consequence of our actions, including emissions related to business travel.

Total CO₂ emissions for the year were 1,114.5 tonnes (compared to 696.2 tonnes in 2020/21) of which: 70%, 782.3 tonnes, is related to the consumption of purchased electricity (84% and 582.1 tonnes in 2020/21); 20%, 218 tonnes, company vehicles (6% and 43.2 tonnes in 2020/21); 2%, 21.8 tonnes, natural gas (2% and 14.7 tonnes in 2020/21) and 8%, 92.4 tonnes, other indirect emissions (8% and 56.2 tonnes in 2020/21). We offset 68% (2020/21 39%) of these emissions through purchase of a green energy contract.

In 2019/20 we set a target to reduce our emissions of CO₂e per unit of floor area (square meter) by 2% per annum. The intensity ratio of total emissions per m² retail floor area for 2021/22 was 0.042 (0.025 in 2020/21), an increase of 68%. The main contributing factor to such a high increase was the return to trade and travel after Covid-19 restrictions were reduced. In comparison to 2019/20 our emissions of CO₂e per unit of floor area (square meter) in 2021/22 were 12% lower.

Our target for 2022/23 is to reduce emissions by 6% compared to the base year of 2019/20. As this is the final year of the target period, we will review our current usage and set a new target to reduce emissions going forward.

Pensions

We operate the following pension schemes:

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

The year-end valuation of the Scope Pension Scheme shows a surplus of £11.4 million based on Financial Reporting Standard (FRS) 102 assumptions (compared to a surplus of £8.1 million in 2020/21). The surplus increased due to:

- An increase in the discount rate during the year.
- Updated demographic assumptions to reflect the updated analyses carried out as part of the 31 December 2020 valuation and subsequent developments in mortality projections.

This was partially offset by:

- An increase in the long-term expectation of inflation.
- The Scheme's assets increasing by less than the discount rate assumed under FRS 102.

We haven't included the pension scheme asset in the balance sheet because, under the Pension Trust Deed, we don't have an unconditional right to any of the surplus. You can find out more in note 29 to the financial statements. The Scope Pension Scheme is now closed to new members and to future accrual.

Principal risks and uncertainties

Overview

During the past year we continued to use our risk management framework. It's embedded within all departments at Scope and it sets out the roles and responsibilities for risk management at Scope and the approach to identify, manage, monitor and review risk, as well as communicating and learning from risk management activities.

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

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

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

- Government policy and other changes that may affect the lives and experiences of disabled people.
- Changes in market conditions that can affect our net income, such as ongoing effects of Covid, general economic conditions and inflationary pressure on operating costs.
- The value of investments we hold that can go up or down in line with general market trends.
- The impact of environmental factors is monitored quarterly at a minimum (and more actively in times of significant impact). This allows us to respond quickly to any major changes and assess our continuity and mitigating actions in an agile manner.

We use a set of control systems within our corporate assurance framework so everyone can feel confident we're running our organisation and services effectively. Our internal auditors also systematically review our key activities and systems, with priority given to strategic risks areas, as well as following up on areas for improvement identified in previous years. Our auditors reported an improvement in the strength of the internal controls this year following actions taken to address the recommendations identified in the previous year and we continue to focus on further improvements in some areas. No significant control issues that would have a material adverse impact on the delivery of Scope's strategy or financial position were identified in the year ended 31 March 2022.

Our corporate risks

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

Strategic and environmental risks

- 1) Failure to adapt quickly and strategically to **external changes** resulting in a reduced ability to continue to make a meaningful difference to disabled people.
- 2) Failure to **stay relevant** to beneficiaries' changing needs and deliver desired outcomes in a modern accessible way to achieve the most impact.

Mitigation for risk 1 and 2:

- We'll continue to use our co-production model to embed user voices and the experiences of disabled people in all our work.
- Our communications, campaigns and influencing are insight led.
- Our services and programmes are continuously evaluated.
- We have a strong 'critical' friend relationship with key Government departments.
- An evaluation study of Covid-19 impact on our services has been performed and findings will be used to adapt services.

- We continually assess new and existing activity against our impact framework.
- Our KPIs and plans link directly to our strategy to focus our work on our five goals, with impact reported to the Board quarterly.

3) Failure to realise the potential of digital technologies and channels to connect with our audiences, reducing our impact and outcomes for disabled people, engagement with all audiences and income generation.

Mitigation

- We have a specialist digital team in place to support colleagues, with particular expertise in product management, user experience, front-end development and accessibility.
- We have external agency support that gives us access to a wider range of platform and development expertise than we have in-house.
- We trial new digital opportunities and ways of working through standalone digital initiatives.

4) Failure to generate the required net income to deliver our objectives efficiently and effectively. The impact of the Covid-19 restrictions on future years and/or external economic conditions could prevent us from delivering plans to develop income opportunities in retail, fundraising and partnerships. This could be because of a delay in recruitment of key team members, lack of focus, lack of investment, increasing costs or other reasons.

Mitigation

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

Operational risks

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

Mitigation

- We prioritise the safeguarding of all people who interact with Scope in everything we do. Our safeguarding policy is clearly embedded in operational processes and led by a team of three people in specialist safeguarding roles.
- The Board of Trustees has responsibility for oversight of safeguarding activity. The Board includes a Trustee with specialist safeguarding expertise, who attends the

Audit and Risk Committee and provides expert advice to the Board and Safeguarding Team.

- A cross-organisation Safeguarding Steering Group, with designated safeguarding leads and external expert, provides oversight of safeguarding reporting, policies, procedures and resourcing as well as reporting to the Board. We also monitor concerns and extract learning through the Retail Case Management Group.
- The Safeguarding Team reviews all concerns via a centralised reporting system.
- All employees and volunteers complete mandatory safeguarding training.

2) Scope's **governance** and oversight arrangements do not support effective delivery of objectives and strategy. Misaligned governance structures, a gap in skills or inadequate management information lead to ineffective oversight of delivery, resulting in a failure to identify and address issues when Scope is not delivering desired outcomes/value for money.

Mitigation

- We conduct regular skills audits and carry out continuous succession planning using specialist agencies.
- Independent Committee Members fill specific skills gaps.
- Trustees serve a maximum of two three-year terms. A robust induction process includes specific training and development as needed, feedback and appraisal.
- We self-monitor against the Charity Governance Code.
- We have robust financial and internal audit processes, including reporting against an agreed suite of KPIs and corporate risk register.
- We regularly communicate and have meetings with our Members.

3) Scope does not attract and retain sufficiently skilled, experienced and diverse colleagues to deliver its ambitions. Given the challenging labour market as a result of Brexit, the pandemic and Ukrainian invasion Scope does not attract and retain sufficiently skilled, experienced and diverse colleagues to deliver its ambitions, particularly from the Retail and marketing and fundraising sectors.

Mitigation

- We work with specialist recruitment agencies where appropriate and review applicant data to improve our attraction processes. We also plan to increase our use of co-production in this area.
- Our development and training programmes for colleagues are in place and constantly reviewed as a priority to enable career progression.
- We've reviewed our adjustment processes to positively support all colleagues to do

their best work.

- We'll use colleague inclusivity networks and engagement surveys to help us identify areas for improvement.

4) Our **technology** may be vulnerable to attack and our **Business Continuity Plan** may not be responsive enough.

Mitigation

- We have an information and data security management framework to cover our security culture, security processes and IT security tools, and our technology is constantly reassessed in light of a changing environment.
- Our Business Continuity Plan has been refreshed and aligned to make sure it's fit for purpose alongside our current strategy, structure and technology environment.

Legal and regulatory risks

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

Mitigation

- Our approach to safeguarding is noted in detail above.
- We make sure all new spaces/environments are completely accessible to disabled people and continue to review existing space, so access requirements are maintained.
- We've adapted our service offer to the specific needs of those attending – providing signed sessions, for example, and information in various accessible formats.
- We have clear guidance in place on our online community to make sure action can be taken to improve or remove inappropriate behaviours and we take clear action where individuals fail to uphold acceptable standards of behaviour.
- The Audit and Risk Committee regularly reviews our risk register and sets the programme of internal audit for the year. We have specialist Disability legislation, Safeguarding, Data, and Health and Safety leads in place. We conduct regular horizon scanning against new legislation and seek independent advice where needed. We've improved our information security and data protection controls and continue to work towards achieving Cyber Essentials status.

Financial risk management

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

Safeguarding of assets

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

The value of our investment assets is exposed to the risk from volatility in global markets. Our investments of £40.2 million are managed by RLAM, an A-credit-rated organisation. RLAM's investment performance and credit rating are overseen by our Finance Committee. Our main cash balances of £1.6 million are held in accounts managed by the NatWest Group. Smaller cash management arrangements are also held with other UK-based clearing banks. The credit rating of all these banks is considered when reviewing credit risk. We do not engage in any transactions involving derivatives or working capital.

Liquidity risk is being unable to raise enough cash to meet our obligations when they fall due. We manage our liquidity risk by making sure we manage our cash flow effectively, tracking working capital and net current assets. We keep sufficient cash balances to cover our predicted obligations. We also have access to £6.2 million of cash investments, which we can access within 48 hours.

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

Our structure, governance and management

How Scope is constituted

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

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

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

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

Methods used to recruit and appoint new charity Trustees

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

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

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

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

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

36. Upon their appointment as a Trustee, a person shall automatically become a Member and they shall sign the Register accordingly.

Nominations Panel

We have a Nominations Panel to make sure people who join the Board and its Committees have the right skills, experience and expertise to govern to the high standards our customers, partners and supporters demand. The Panel oversees the search for, and recruitment of, Trustees and Independent Committee Members. The Nominations Panel reports to our Board.

Standing Order No.2 – 2.1A notes that:

The Board shall establish a Committee (the ‘Nominations Panel’) with delegated authority to make nominations for the election of the Chair and Trustees in accordance with Articles 33 and 34.

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

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

Use of Trustee brokerage services

We recognise the value of a diverse Board composed of people with the relevant blend of different skills, experience, and characteristics. To achieve this, we use specialist advertising platforms and engage the services of recruitment consultants specialising in diverse Boards. By using wider and more inclusive methods of searching for new Trustees, we can access a wider pool of applicants from a broad range of different social, economic and ethnic backgrounds. This leads to a greater diversity of perspectives.

Accordingly, in early 2021, we appointed a company to provide such a service for Scope with diversity as a key part of the brief. Following a successful recruitment campaign in November 2021, we appointed four new Trustees and three new Independent Committee Members. Bringing a range of skills, experience and diversity to the Board and its Committees. We continue to map the composition of the Board and will carry out a skills and diversity audit ahead of the next round of recruitment in early 2023.

Recruitment proposals consider the skills of the Trustees and Independent Committee Members, while seeking to address any gaps in existing skills, experience and diversity.

How we make decisions

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

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

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

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

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

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

Induction and training of Trustees

The Standing Orders set out the policy on Trustee training, skills analysis and how the Board is evaluated. This includes appraisals, the identification of ongoing training needs and induction training.

We provide all Trustees with a full induction once they start. The induction provides a detailed briefing on the legal roles of Trustees and Directors, as well as of our history, structure, mission and purpose. Face to face induction of some new Trustees was partially impacted due to Covid. However, online meetings were held with key stakeholders instead. We support our Trustees throughout their terms in office to make them feel welcomed, as well as helping them fulfil their roles and deliver impact.

As part of the role, Trustees usually visit our services and shops. They get time to meet staff and volunteers, gaining first-hand experience of what we do and how we do it. Although it wasn't possible during 2021/22 due to the pandemic this vital part of the induction process has now started up again.

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

The Board of Trustees and its Committees

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

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

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

Each Committee has agreed terms of reference. Membership of all Committees includes both members of the Board of Trustees and Independent Committee Members. Independent Committee Members play an important governance role. Their contribution helps make sure advice and assurance through the Committee structure is informed by the relevant expertise and experience. The role is also designed to provide Independent Committee Members with the opportunity to develop leadership skills so they can become a Trustee in the future.

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

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

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

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

Scope Assembly

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

In the last year we've been talking to our Assembly Members about their role and growing our Membership. This year we'll set out plans for growth and begin work to expand the Membership. Scope and our Assembly Members are particularly keen to engage more young people in our work and through the Membership help shape our future plans.

Our governance

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

We use the Charity Governance Code to review and improve our governance arrangements and in late 2021 we engaged the expertise of an external consultant to undertake a small-scale governance review. We've reviewed the findings and we intend to implement some of the suggested changes as part of our 2022/23 governance work plan as well as aligning with any changes to our strategy.

Promoting success

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

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the company."

As part of their induction, directors are briefed on these duties and can access professional advice on these as necessary, either from the Company Secretary or independently. Our directors fulfil their duties partly through a clearly defined governance framework, delegating day-to-day operations to the Executive Leadership Team and sub-committees of the Board in line with the terms of reference. These activities are described in greater detail above.

The following paragraphs further detail how Scope's directors exercise their duties.

Planning and decision making

There are clear processes in place around annual and longer-term planning, supported by the devolved activity of the Finance Committee, alongside investment review panels held by the Executive Leadership Team. Large financial, or strategic decisions are taken in line with our scheme of delegation, which sets out the parameters for delegated approvals from the trustees. Investment of reserves is discussed in greater detail on pages 19-20 (the reserves policy).

Our Directors and Trustees

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

- Alexander Massey
- Andrew Hooke (resigned 5 November 2021)
- Claire Flint (resigned 28 June 2021)

- Donna Glover, Lead Trustee for Safeguarding
- Mark Johnstone, Deputy Chair and Hon. Treasurer
- Matthew Johnston
- Robin Millar, Chair
- Joanne Hall (appointed 5 November 2021)
- Simon Godfrey (appointed 5 November 2021)
- Tariq Khan (appointed 4 January 2022)
- Zeinab Chaudhary (appointed 8 October 2021)

Chief Executive

Mark Hodgkinson

Legal and administrative details

Independent auditors

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

Solicitors

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

Bankers

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

Investment advisers

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

Company secretary

Joy Walton (resigned 16 December 2021)

Anna Burman (appointed 16 December 2021)

Registered office

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

Our colleagues

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

In our 2021 Employee Engagement Survey (November 2021), 79% of colleagues shared their views about what it was like working at Scope. Colleagues enjoy working at Scope, are committed to our vision, understand our values, know what is expected of them, like and respect their colleagues, feel their manager cares for them, and are confident supporting disabled people at work.

The five key areas we're working on this year are pay, team communications, development, recognition and well-being.

After completing a full review of our rewards and benefits, we've implemented a number of changes:

- Increasing pay for our lowest-paid colleagues, who are mostly in retail, to match the Real Living Wage, which mirrors the Living Wage Foundation rates.
- Simplifying our pay framework by moving from 10 pay grades to five career levels.
- Improving maternity, adoption, shared parental leave and paternity leave pay.
- Benchmarking our salaries in the sector and increasing these salaries by 4% to reflect the cost of living and affordability for the charity.
- Introducing pay progression reviews.

We launched several development programmes and initiatives:

- Regular Coaching in a Coffee Cup, EDI and accessibility workshops, as well as workshops on understanding the Scope competencies for all colleagues.
- Apprenticeship opportunities across the organisation (23 colleagues are doing apprenticeships).
- 35 pairs of mentors and mentees for this year's cross charity mentoring programme.
- Connected Leadership programme to support managers to develop their skills (we're soon to launch a Pioneering Leadership programme for Retail).
- Promoting development opportunities through internal-only vacancies (more than 100 colleagues found a new role at Scope in 2021/22).

We focussed on recognition:

- Holding our first virtual volunteer awards recognising the amazing work our volunteers do. Our Retail directorate also held its annual shop and colleague recognition awards.
- Launching new quarterly Scope recognition awards, to recognise and celebrate colleagues who demonstrate the Scope values.
- Announcing plans for an annual Scope team awards next year, honouring teams who deliver great results.

And we worked on wellbeing:

- Launching 10 Keys to Happier Living Fortnight in January 2022 and shared daily tips and videos.
- Holding a series of four wellbeing workshops with a health coach.
- Introducing Ways to Working Wellbeing guidelines for managing wellbeing during the working day.
- Developing a Series of articles covering topics such as winter wellbeing, loneliness and financial wellbeing.

Our People data

Disability

At March 2021, we reported 12.5% of colleagues recognising themselves as disabled, or having a health condition or impairment. A year later that figure grew to 15.8% – an increase of 26% in that time.

The number of colleagues who identified as being disabled or having a health condition or impairment in our anonymous colleague survey in 2020 was 19%, and in 2021 it was 24%. Our volunteer survey reported 29% of respondents recognising themselves as disabled, or having a health condition or impairment.

Gender

We've made significant progress in reducing our gender pay gap although there's clearly more we need to do in this area. Our mean pay gap is currently 16.2% (compared to 22.4% in 2020/21).

Ethnicity

Our organisation is still predominantly white British in ethnic makeup, with 85.7% of all our employees being white. Our BAME population is 11.4%. In our volunteer survey, 85.3% of respondents stated they were white.

Sexual orientation and gender identity

7.42% of respondents say they're lesbian, gay, bisexual, trans, queer, questioning or other (LGBTQ+).

One of our ambitions is to be an inclusive employer, leading the field in the employment of disabled people and supporting diversity in all its forms. We know we must lead by example on disability equality, acting as a role model for other employers.

So, we've been working hard to do more:

- Growing our employee networks – and bringing together an accessibility task force.
- Fully embracing flexible ways of working:
 - Using a colleague survey to better understand how we could learn to live with Covid in an inclusive way.
 - Incorporating flexibility on location into our adverts for roles, wherever possible.
- Holding a number of Roundtables covering, disability and career development, ethnicity and mental health and menopause.
- Increasing representation, by using a more diverse pool of applicants to reflect who we serve.
- Identifying more development opportunities with a special emphasis on our underrepresented groups, by supporting the Government Kickstart scheme, taking on apprentices, and being part of the cross-charity mentoring scheme. We also introduced reverse mentoring for our senior leaders.
- Continuing to increase the number of women working in senior roles and reducing our gender pay gap for the third year running.

How senior pay is set

We set the pay and reward for senior staff by:

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

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

In April 2022, executive pay was reviewed, and increases were awarded in line with sector benchmarking. The Chief Executive chose not to take a pay increase.

Salaries paid during the year to our current Executive Leadership Team were:

Role	Gross salary for the year ended 31 March 2022	Employer pension contributions in 2021/22	Total financial reward
Chief Executive	£150,000	–	£150,000
Executive Director of People	£85,825	£3,433	£89,258
Executive Director of Strategy, Impact and Social Change	£85,487	£1,321	£86,808
Executive Director of Retail and Communities	£143,500	–	£143,500
Executive Director of Finance and Technology Services	£120,000	£1,321	£121,321
Executive Director of Services	£88,375	£4,984	£93,359
Executive Director of Partnerships	£91,667	£990	£92,657

Business relationships and fundraising

The relationships with Scope's Members, volunteers, customers and suppliers are critical to the successful delivery of our mission. The Executive Leadership Team understands and monitors key supplier and contractual relationships to ensure the effective management of both value for money and risks. Outside of the work undertaken within our policy and change areas, Scope's key supplier relationships are with our fundraising partners. See Fundraising governance below for more details.

Community and the environment

Supporting our customers within their communities is at the heart of our Everyday Equality strategy. We seek to provide support in the ways that our customers can best access it – across the country with a local focus, nationally delivered. The work we undertake with Government, supporting social change through policy and education underpins this. Our shops are a key presence, working with volunteers and customers at the heart of 190 local communities.

We continue to move ahead in considering and minimising the impact we have on our world as we work to deliver our Everyday Equality strategy. We have a number of initiatives in place to support this and where possible we work with suppliers who are equally conscious of their impact on the environment. Information about our environmental impact and reporting is shown on page 22.

Our Members and the Scope Assembly

Acting fairly and listening openly to the views of all of Scope's Members is a fundamental tenet of our business. Scope had 577 Members at 31 March 2022.

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

Fundraising governance

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

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

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

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

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

The number of complaints received in relation to fundraising activities in 2021/22 was 226 complaints (36 in 2020/21). All complaints were resolved satisfactorily through our internal processes and none were escalated to the Fundraising Regulator. The increase in complaints was caused by the easing of Covid restrictions, which enabled our fundraising activities to start up again.

CC20, published by the Charity Commission, gives Trustees guidance on their duty to oversee their organisation's fundraising. The Board of Trustees has received guidance and updates on fundraising best practice.

Safeguarding

The Board of Trustees is committed to promoting the welfare and wellbeing of children and adults at risk. It also makes sure there's the right level of protection and safeguarding response for anyone who connects with Scope. The Board of Trustees are responsible for safeguarding at Scope, seeing to it that incidents and allegations are handled with speed, efficiency and rigour.

Scope has a Lead Trustee for Safeguarding, who shares the responsibility for safeguarding equally with the rest of the Board but has specific skills and experience to help drive

forward best practice. The Board of Trustees and Scope's Audit and Risk Committee have oversight of safeguarding and it's on every agenda at the quarterly meetings.

At Executive level, the Chief Executive has responsibility for safeguarding. Additionally, all leaders are responsible for setting the standard and modelling behaviour that reflects our values, complies with our safeguarding policy and procedures, and protects customers, colleagues and members of the public.

Scope has a Safeguarding Steering Group that meets four times per year. The group supports and reviews the progress and implementation of Scope's safeguarding strategy and safeguarding plans. There are three full-time equivalent safeguarding professionals who make sure safeguarding responses are appropriate and consistent, and that the individual's wishes and rights are upheld. They're also responsible for providing Scope colleagues with an appropriate level of safeguarding training.

Alongside other serious incident reporting, we report serious safeguarding incidents to the Charity Commission and other relevant regulators in line with our Reporting Serious Incidents Guidance.

Directors' and Trustees' indemnity

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

Statement of Trustees' responsibilities

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

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the 'Accounting and Reporting by Charities: Statement of Recommended Practice 2019' ('Charities SORP').
- Make judgements and estimates that are reasonable and prudent.
- State whether FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' has been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

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



Robin Millar
Trustee

Date: 28 July 2022



Mark Johnstone
Trustee

Independent Auditor's report to the Members of Scope

Opinion

We have audited the financial statements of Scope ('the parent charitable company') and its subsidiaries for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 42, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

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

Our approach was as follows:

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

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

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

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London, EC2A 2AP

Date: 9 August 2022

Group statement of financial activities

(Incorporating an income and expenditure account)

For the year ended 31 March 2022

		2022			2021		
		Unrestricted Funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
	Note						
Income and endowments from:							
Donations and legacies	3	11,651	1,138	12,789	12,801	1,061	13,862
Other trading activities	4	25,383	–	25,383	14,470	–	14,470
Investments	5	596	–	596	526	–	526
Charitable activities:							
Fees		790	–	790	633	1	634
Grants	6	167	1,562	1,729	(2)	1,471	1,469
Sales and ancillary income	7	2,878	–	2,878	2,768	–	2,768
Other	8	–	–	–	409	(17)	392
Total income and endowments		41,465	2,700	44,165	31,605	2,516	34,121
Expenditure on:							
Raising funds	10	31,023	–	31,023	24,671	48	24,719
Charitable activities:							
Be financially secure	10	1,357	194	1,551	981	412	1,393
Get the best start in life	10	972	–	972	923	–	923
Independence	10	39	–	39	52	204	256
Delivery of services	10	2,147	1,735	3,882	1,704	1,970	3,674
Information and advice	10	2,019	–	2,019	1,580	–	1,580
Influencing and campaigning	10	4,915	–	4,915	3,034	(5)	3,029
Strategic spend	10	581	–	581	636	–	636
Governance	10	136	–	136	112	–	112
Total expenditure	10	43,189	1,929	45,118	33,693	2,629	36,322
Net gains on investments	15	704	–	704	2,753	–	2,753
Net income/(expenditure)		(1,020)	771	(249)	665	(113)	552
Transfers between funds	21	488	(488)	–	539	(539)	–
Actuarial gain on defined benefit pension schemes	29	349	–	349	304	–	304
Net movement in funds		(183)	283	100	1,508	(652)	856
Fund balances brought forward at 1 April		42,282	1,229	43,511	40,774	1,881	42,655
Fund balances carried forward at 31 March		42,099	1,512	43,611	42,282	1,229	43,511

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

Group and parent charitable company balance sheets

As at 31 March 2022

	Note	Group		Charity	
		2022 £000	2021 £000	2022 £000	2021 £000
Fixed assets					
Intangible assets	13	365	–	365	–
Tangible assets	14	1,795	1,915	1,795	1,915
Investments	15	40,185	40,031	40,185	40,031
Total fixed assets		42,345	41,946	42,345	41,946
Current assets					
Stocks		177	513	–	–
Debtors	17	6,327	7,470	6,362	7,721
Cash at bank and in hand		1,553	1,636	1,497	1,538
Total current assets		8,057	9,619	7,859	9,259
Creditors: amounts falling due within one year	18	(3,630)	(5,177)	(3,735)	(5,175)
Net current assets		4,427	4,442	4,124	4,084
Total assets less current liabilities		46,772	46,388	46,469	46,030
Provision for liabilities and charges	20	(3,161)	(2,877)	(3,161)	(2,877)
Net assets		43,611	43,511	43,308	43,153
Funds					
Restricted funds	21	1,512	1,229	1,512	1,229
Unrestricted funds	21	33,099	34,398	32,796	34,040
Designated funds – strategic investment	21	2,500	2,800	2,500	2,800
Designated funds – pension	21	6,500	5,084	6,500	5,084
Total funds		43,611	43,511	43,308	43,153

We have a defined benefit pension scheme which is closed and in surplus. See note 29 for details.

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

The notes on pages 52 to 76 form part of these financial statements.

The financial statements on pages 49 to 76 were approved by the Board of Trustees on 28 July 2022 and signed on its behalf by:



Robin Millar
Trustee



Mark Johnstone
Trustee

Company number: 520866

Group cash flow statement

For the year ended 31 March 2022

	Group	
	2022 £000	2021 £000
Cash flows from operating activities:		
Net cash used in operating activities	(409)	(1,816)
Cash flows from investing activities:		
Investment income received	596	526
Purchase of tangible and intangible fixed assets	(820)	(204)
Purchase of fixed asset investments	(1,350)	(100)
Sale of fixed asset investments	1,900	2,000
Net cash provided by investing activities	326	2,222
Change in cash and cash equivalents in the reporting period	(83)	406
Cash brought forward at 1 April	1,636	1,230
Cash carried forward at 31 March	1,553	1,636

Note to group cash flow statement

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

	Group	
	2022 £000	2021 £000
Net movement in funds for the reporting period	100	856
Adjustments for:		
Net gains on investments	(704)	(2,753)
Investment income received	(596)	(526)
Depreciation charges	575	561
Loss on sale of tangible fixed assets	–	13
Decrease/(increase) in stock	336	(93)
Decrease/(increase) in debtors	1,143	(432)
(Decrease)/increase in creditors	(1,547)	1,926
Increase/(decrease) in provisions for liabilities and charges and defined benefit pension liability	284	(1,368)
Net cash used in operating activities	(409)	(1,816)

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with:

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

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

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

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

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

Basis of consolidation

The consolidated financial statements of the group incorporate the financial statements of Scope and its subsidiary undertakings on a line-by-line basis. The total incoming resources attributable to the charity were £43 million (compared to £33.9 million in 2020/21). The net movement in funds attributable to the charity include:

- Pension scheme actuarial gains of £349,000 (compared to £304,000 in 2020/21).
- Investment gains of £704,000 (compared to gains of £2,753,000 in 2020/21).

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

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

Incoming resources

All income is recognised in the statement of financial activities when:

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

The following accounting policies are applied to income:

Donations including events and individual giving

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

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

Other income from fundraising events is recognised on delivery of the event.

Individual giving, face to face fundraising

Regular donations from individuals are recognised on receipt. Income is recognised gross and any fees charged for fundraising including by a third party are recorded as a fundraising expense.

Legacies

Legacy income is recognised when the amount receivable can be reliably measured and it is probable that it will be received. Receipt is normally probable when:

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

Where Scope may have entitlement to a legacy but there is uncertainty as to the amount of the payment, for example, if the interest of the charity in a pecuniary or residuary legacy cannot be measured reliably, details of the legacy will be disclosed as a contingent asset until the criteria for income recognition are met.

Restricted donations including corporate donations

Donations are restricted when donors apply specific conditions on how the funds are to be used. Restricted donations are recognised when the conditions for entitlement are within our control or have been met.

Donations in kind

Donations in kind (including pro-bono work) are recognised at their value to Scope when received and an equivalent amount is included in the appropriate category of expenditure.

The financial statements do not include volunteer time used in preparing items for sale as this cannot be reliably estimated.

Retail income

Retail income, including income from the sale of donated goods in our shops, is recognised as income when the sale takes place. Estimated associated Gift Aid is accrued at the point of sale. Once consent has been obtained the income claimed from HM Revenue & Customs is recognised and the accrual reversed.

Concession and bought-in goods income

Concession and bought-in goods income is recognised at the point of sale. All concession income is subject to output VAT and is recognised in the retail trading company Scope Central Trading Limited.

Investment income

Investment income is recognised when receivable.

Fees for services

Fees are recognised when the services have been provided. Income received in advance is deferred until the service has been provided.

Grants receivable including Government grants

Grants are recognised when the conditions for entitlement have been met. Evidence of entitlement will usually exist when the formal offer of funding is communicated in writing to us. Where grants contain terms or conditions that must be met before we have entitlement to the resources, the income is deferred and included in creditors until the conditions have been met.

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

Conditions imposed may also specify the time period over which the expenditure of resources on a service can take place. Specification of a time period may amount to a pre-condition for use that limits the charity's ability to spend the grant until it has performed the activity related to the specified time period.

Sales and ancillary income

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

Profit and loss on sale of asset

The net book value of the asset being disposed is allocated to the associated receipt. If the receipt exceeds the net book value, the profit is recognised as income. If the net book value exceeds the receipt, a loss is recognised as reduced income.

Intellectual property licencing

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

Royalty income is recognised on the date of the related sale and invoices are raised by Scope (IP) Limited.

Resources expended

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

Charitable expenditure

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

Support costs

Our support costs include staff costs, rent and other operational costs. All costs are allocated between the costs of raising income, activities in furtherance of the charity's objects and other costs. Most costs incurred by Scope are directly attributable to individual activities. Where costs are not directly attributable to particular activities, they are apportioned on an appropriate basis (note 10).

Grants payable

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

Intangible fixed assets

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

- Software development – 25% or 33.3%

Tangible fixed assets

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

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

Asset impairment

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

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

Funds

Scope maintains various funds as follows:

Restricted funds

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

Unrestricted funds

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

Designated funds

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

Financial assets and liabilities

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

Debtors and creditors treated as financial assets and liabilities (notes 17 to 20) are measured at transaction price, less any impairment. Cash balances are stated at present value.

Leases

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

Stocks

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

Pension costs

The statement of financial activities includes:

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

accordance with the FRS 102 balance sheet limitation. Further details regarding all pension schemes are disclosed in note 29.

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

Pension costs other than finance charges and actuarial gains or losses, disclosed in note 29, are allocated to expenditure by charitable activity, in line with other salary costs.

Irrecoverable Value Added Tax (VAT)

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

2. Critical accounting judgements and estimation

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

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

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

Management has considered the grants received from various Government bodies in connection with Covid-19 and interpreted the published guidance to assess whether conditions have been met for recognition of income.

Contingent assets

Legacy income for which confirmation of the amount has not been received as at the balance sheet date has not been included in the incoming resources. The value of these legacies is estimated as £1,692,000 (compared to £1,101,000 in 2020/21).

Contingent liabilities

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

3. Donations and legacies

	Group	
	2022	2021
	£000	£000
Donations and gifts:		
Retail	228	102
Individual giving	7,052	7,025
Events fundraising	301	348
Philanthropy and corporate partnerships	1,346	1,262
Trusts	193	256
Donations in kind*	178	19
	9,298	9,012
Legacies	3,491	4,850
	12,789	13,862

*Donations in kind are for professional advice received by Scope. This related to our retail estate and partnership strategies from Deloitte and our utilities membership from Partnerships for Good.

4. Other trading activities

	Group	
	2022	2021
	£000	£000
Gift Aid	1,131	482
Sale of donated and bought-in goods	21,295	8,847
Raffles in shops	146	56
Other income	118	74
Government grants (Job retention scheme and shop closures)	2,693	5,011
	25,383	14,470

5. Income from investments

	Group	
	2022	2021
	£000	£000
Income from listed investments	596	526

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

	Unrestricted funds £000	Restricted funds £000	2022 total £000	2021 total £000
Government grants:				
Department for Work and Pensions	153	–	153	–
Department for Health and Social Care	–	–	–	568
Working on Wellbeing	–	660	660	460
Total Government grants	153	660	813	1,028
Local authority grants:				
Leeds Activities	(89)	–	(89)	–
Retail holding account	–	–	–	12
Total local authority grants	(89)	–	(89)	12
Other grants:				
Fidelity	–	400	400	–
People's Health Trust – Local People's Programme	–	211	211	192
Energy Saving Trust	–	246	246	80
Other grants < £50,000	99	49	148	157
Total other grants	99	906	1,005	429
Total grants receivable	163	1,566	1,729	1,469

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

7. Sales and ancillary income from charitable activities

	Group	
	2022 £000	2021 £000
Ancillary services income	–	23
Lottery, raffles and other income	2,878	2,745
	2,878	2,768

8. Other income

	Group	
	2022 £000	2021 £000
(Loss)/gain on sale of fixed assets	–	(13)
Fee and other income relating to divested regulated and day services	–	405
	–	392

9. Subsidiaries' income and costs

The income and costs of Scope Central Trading Limited and Scope (IP) Limited:

	Scope Central Trading Limited £000	Scope (IP) Limited £000	2022 total £000	2021 total £000
Turnover	1,182	–	1,182	765
Cost of sales	(874)	–	(874)	(425)
Gross profit	308	–	308	340
Administration and other costs	(4)	–	(4)	(4)
Other operating income	–	–	–	40
Operating profit/(loss)	304	–	304	376
Taxation	–	–	–	–
Net income	304	–	304	376

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

At 31 March 2022 Scope Central Trading Limited had £304,066 net assets (compared to £356,522 in 2020/21). This comprised assets of £348,255 (compared to £607,919 in 2020/21) and liabilities of £44,189 (compared to £251,397 in 2020/21).

At 31 March 2022 Scope (IP) Limited had net liabilities of £1,574 (compared to £1,574 in 2020/21). This comprised assets of £nil (compared to £354 in 2020/21) and liabilities of £1,574 (compared to £1,928 in 2020/21).

Scope holds 100% of the share capital of Scope Central Trading Limited and Scope (IP) Limited (see note 16).

10. Analysis of total expenditure and support costs

The Group	Activities undertaken directly £000	Support costs £000	2022 total £000	2021 total £000
Cost of raising funds:				
Cost of raising donations and legacies	5,948	1,326	7,274	4,275
Cost of trading activities	20,017	3,732	23,749	20,444
Total cost of raising funds	25,965	5,058	31,023	24,719
Charitable activities				
Be financially secure	1,113	438	1,551	1,393
Get the best start in life	662	310	972	923
Independence	9	30	39	256
Delivery of services	3,467	415	3,882	3,674
Information and advice	1,492	527	2,019	1,580
Influencing and campaigning	4,431	484	4,915	3,029
Strategic spend	555	26	581	636
Governance	136	–	136	112
Total cost of charitable activities	11,865	2,230	14,095	11,603
Total expenditure	37,830	7,288	45,118	36,322
Total expenditure excluding cost of trading activities	17,813	3,556	21,369	15,878

Support costs	Management overhead, HR and communications £000	Finance and purchasing £000	Technology services £000	Property and facilities £000	2022 total £000	2021 total £000
Cost of raising funds:						
Donations and legacies	442	362	248	274	1,326	1,234
Cost of trading activities	1,244	1,019	698	771	3,732	2,995
	1,686	1,381	946	1,045	5,058	4,229
Charitable activities:						
Be financially secure	146	120	82	90	438	435
Get the best start in life	103	85	58	64	310	307
Independence	10	8	6	6	30	34
Delivery of services	138	113	78	86	415	280
Information and advice	176	144	98	109	527	379
Influencing and campaigning	161	132	91	100	484	346
Strategic spend	9	7	5	5	26	24
Total support costs – charitable activities:	743	609	418	460	2,230	1,805
Total support costs for 2022	2,429	1,990	1,364	1,505	7,288	6,034
Total support costs for 2021	2,211	1,175	1,485	1,163		

We review the basis of support cost allocation every year to ensure that it is reasonable and fairly reflects the nature of the costs and how they are incurred. The basis for allocation of support costs is as follows:

- According to usage or transactional data where this is relevant and available.
- Departmental headcount where the cost is related to the number of staff.

- In proportion to the size of the cost base where the size of the departmental activity is more relevant.
- Evenly allocated across departments where this is considered a more appropriate indicator for corporate costs.

11. Net income/expenditure

	Group	
	2022 £000	2021 £000
Net income/expenditure for the year is stated after charging/(crediting):		
Auditors' remuneration:		
Audit of these financial statements	47	44
Audit of the charity's subsidiaries	6	6
Non-audit fees*	4	16
Loss on sale of tangible assets:		
Loss on the sale of fixed assets	–	13
Depreciation of intangible and tangible fixed assets:		
Owned assets	575	561
Net pension finance cost	349	304
Operating lease rentals:		
Equipment	118	100
Property	4,340	4,594
Motor vehicles	194	204

* Non-audit fees relate to advice in relation to VAT matters

12. Information regarding employees and Trustees

	Group	
	2022 £000	2021 £000
Staff costs comprise:		
Wages and salaries	19,120	17,928
Social security costs	1,582	1,427
Other pension costs	610	259
	21,312	19,614
Payments made to independent third parties for the provision of staff	338	232
Total payroll and staff related costs	21,650	19,846

In addition to the payroll and staff costs set out in the table, there were redundancy payments of £52,772 (compared to £62,900 in 2020/21) and ex-gratia (goodwill) payments of £33,978 (compared to £56,260 in 2020/21). Ex-gratia payments were made as part of settlement agreements with ex-employees at the time of leaving and were fully paid in the year. These payments are managed through the Human Resources Team in line with approved policy and procedure and authorised in accordance with the Scheme of Delegation based on the size of payment.

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

Average number of employees during the year:	2022	2021
Cost of raising donations and legacies	33	34
Cost of trading activities	512	556
Be financially secure	40	42
Get the best start in life	43	45
Independence	4	3
Delivery of services	27	27
Information and advice	51	36
Influencing and campaigning	47	39
Strategic spend	1	–
Support costs	66	62
Governance	1	1
	825	845

The average full-time equivalent headcount for the year was 718 (compared to 709 in 2020/21). The full-time equivalent excludes hourly paid casual workers due to the variable nature of the hours worked.

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

	2022 Number	2021 Number
£60,000 – £70,000	9	4
£70,001 – £80,000	2	6
£80,001 – £90,000	4	–
£90,001 – £100,000	1	–
£100,001 – £110,000	–	–
£110,001 – £120,000	2	1
£120,001 – £130,000	–	–
£130,001 – £140,000	–	1
£140,001 – £150,000	2	–
	20	12

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

18 senior staff are accruing retirement benefits from the defined contribution scheme (compared to nine in 2020/21). Contributions paid for the year, including salary sacrifice amounts, in respect of senior staff included in the table above for all schemes amounted to £90,569 (compared to £38,081 in 2020/21).

All of the Executive Leadership Team who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration paid in respect of these individuals was £998,829 including salary £876,437, employer's national insurance contributions £107,136 and employer's

pension contributions £15,256 (compared to total remuneration of £702,080 in 2020/21 including salary £608,946, employer's national insurance contributions £71,920 and employer's pension contributions £21,214).

In 2021/22, no Trustee or person closely related or connected to them has received any remuneration or other benefit from Scope other than as a beneficiary on non-preferential terms (same as 2020/21). During the year, we reimbursed £nil of travel, subsistence and accommodation expenses to Trustees (compared to £68 for one Trustee in 2020/21).

13. Intangible fixed assets for use by the group and charity

Group and charity	Software development £000	Total £000
Cost		
At 1 April 2021	–	–
Additions	407	407
Disposals	–	–
At 31 March 2022	407	407
Accumulated amortisation		
At 1 April 2021	–	–
Charge for the year	42	42
Disposals	–	–
At 31 March 2022	42	42
Net book value		
At 1 April 2021	–	–
At 31 March 2022	365	365

14. Tangible fixed assets for use by the group and charity

Group and charity	Freehold and leasehold property £000	Motor vehicles £000	Fixtures, equipment and computers £000	Total £000
Cost				
At 1 April 2021	5,253	15	8,745	14,013
Additions	–	–	413	413
Disposals	(8)	–	–	(8)
At 31 March 2022	5,245	15	9,158	14,418
Accumulated depreciation				
At 1 April 2021	5,249	15	6,834	12,098
Charge for the year	–	–	533	533
Disposals	(8)	–	–	(8)
At 31 March 2022	5,241	15	7,367	12,623
Net book value				
At 1 April 2021	4	–	1,911	1,915
At 31 March 2022	4	–	1,791	1,795

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

15. Investments

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Total investments:				
Financial investments	40,185	40,031	40,185	40,031
	40,185	40,031	40,185	40,031

	Group and charity	
	2022 £000	2021 £000
Total financial investments:		
Market value at 1 April	40,031	39,178
Additions at cost	1,350	100
Sale of fixed asset investments	(1,900)	(2,000)
Net investment unrealised gains/(losses)	704	2,753
Market value at 31 March	40,185	40,031
Investments comprise the following:		
Investments listed on a UK stock exchange		
Fixed interest	10,620	7,561
Equities	8,019	11,057
Cash deposits held as part of investment portfolio	15,324	13,164
Cash deposits held separate to investment portfolio	6,222	8,249
Market value at 31 March	40,185	40,031
Being at market value:		
Investment assets in the United Kingdom	40,185	40,031
Historical cost at 31 March	37,051	36,916

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

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

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

16. Subsidiaries

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

Subsidiary undertaking	Country of registration and/or operation	Principal activities	Authorised and issued share capital
Scope Central Trading Limited 100% direct holding (Company no. 1108300)	England and Wales	Purchase of general merchandise, the distribution and sale of clothing and gifts and sales of greeting cards	£100
Scope Pension Scheme Trustee Limited* 100% direct holding (Company no. 01814430)	England and Wales	Dormant	£100 – £2 issued and fully paid
The Spastics Society* Common control (Company no. 2908452)	England and Wales	Dormant	By guarantee
Scope (IP) Limited (Company no. 11774613)	England and Wales	Exploitation of intellectual property	£1

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

17. Debtors

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade debtors*	264	200	264	200
Gift Aid recoverable*	672	424	672	424
Staff loans*	1	8	1	8
Amounts owed by group undertaking*	–	–	–	230
Other debtors*	986	1,373	1,021	1,395
Accrued income	2,655	3,795	2,655	3,794
Prepayments	1,749	1,670	1,749	1,670
	6,327	7,470	6,362	7,721

*Financial assets measured at amortised cost.

Trade debtors are shown net of a £nil provision (compared to £2,615 in 2020/21).

Staff loans are imprests of £1,100 (compared to £8,000 in 2020/21) to be repaid on leaving Scope or when the individual's employment changes.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

18. Creditors: amounts falling due within one year

	Group		Charity	
	2022 £000	2021 £000	2022 £000	2021 £000
Trade creditors*	765	789	763	787
Taxation and social security*	423	350	423	350
Amounts owed to group undertakings*	–	–	82	–
Other creditors*	751	2,875	784	2,875
Accruals	1,597	1,163	1,589	1,163
Deferred income (note 19)	94	–	94	–
	3,630	5,177	3,735	5,175

*Financial liabilities measured at amortised cost.

Amounts owing in respect of pension schemes at 31 March 2022 included above are £95,897 (compared to £79,162 in 2020/21).

19. Deferred income

	Balance 31 March 2021 £000	Release to income £000	Deferred in current year £000	Balance 31 March 2022 £000
Group and charity:				
Income in advance of service delivery	–	–	94	94
	–	–	94	94

20. Provisions for liabilities and charges

	Balance 31 March 2021 £000	Charged to income and expenditure £000	Utilised £000	Balance 31 March 2022 £000
Group and charity:				
Provisions for dilapidations	1,520	704	(169)	2,055
Provision for onerous leases for shops vacated by Scope	102	–	(55)	47
Provision for rent free periods	1,255	–	(196)	1,059
	2,877	704	(420)	3,161

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

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

21. Funds

	Balance 31 March 2021 £000	Incoming resources £000	Expenditure, gains and losses £000	Transfers £000	Balance 31 March 2022 £000
Group:					
Unrestricted funds:					
Unrestricted funds – general	34,398	41,465	(41,647)	(1,117)	33,099
Designated funds – strategic investment**	2,800	–	(555)	255	2,500
Designated funds – pension	5,084	–	66	1,350	6,500
Restricted funds:					
Restricted funds	1,219	2,700	(1,929)	(488)*	1,502
Permanent endowment	10	–	–	–	10
Total funds	43,511	44,165	(44,065)	–	43,611

	Balance 31 March 2021 £000	Incoming resources £000	Expenditure, gains and losses £000	Transfers £000	Balance 31 March 2022 £000
Charity:					
Unrestricted funds					
Unrestricted funds – general	34,040	40,283	(40,410)	(1,117)	32,796
Designated funds – strategic investment**	2,800	–	(555)	255	2,500
Designated funds – pension	5,084	–	66	1,350	6,500
Restricted funds:					
Restricted funds	1,219	2,700	(1,929)	(488)*	1,502
Permanent endowment	10	–	–	–	10
Total funds	43,153	42,983	(42,828)	–	43,308

*Transfer reflects a correction for misanalysis between funds identified during the year.

**Designated funds for strategic investment are planned to be spent in the next two years.

Restricted funds are mostly restricted grants (see note 6) and restricted donations (see note 3). These are all accounted for in line with the limitations placed on each fund.

A designated fund of £6.5 million (£4.25million in 2020/21) is in place as security for the Scope Pension Scheme. At 31 March 2022, the value of this fund was £6.5 million (£5.1 million in 2020/21). The value of the fund was increased during the year following a valuation of the scheme at 31 December 2020 and agreement with the Scope Pension Scheme Board of Trustees.

A designated fund of £2.5 million (£2.8 million in 2020/21) is held for strategic investment in the next two years. We will designate further funds as we develop and authorise detailed investment business cases to deliver the strategy.

22. Analysis of assets and liabilities between funds

	Restricted funds £000	Designated strategic £000	Designated pension £000	Unrestricted funds £000	Total 2022 £000
Group:					
Fixed assets	–	2,500	6,500	33,345	42,345
Current assets	1,512	–	–	6,545	8,057
Current liabilities	–	–	–	(3,630)	(3,630)
Net current assets	1,512	–	–	2,915	4,427
Provisions for liabilities and charges	–	–	–	(3,161)	(3,161)
Net assets	1,512	2,500	6,500	33,099	43,611

	Restricted funds £000	Designated strategic £000	Designated pension £000	Unrestricted funds £000	Total 2022 £000
Charity:					
Fixed assets	–	2,500	6,500	33,345	42,345
Current assets	1,512	–	–	6,347	7,859
Current liabilities	–	–	–	(3,735)	(3,735)
Net current assets	1,512	–	–	2,612	4,124
Provisions for liabilities and charges	–	–	–	(3,161)	(3,161)
Net assets	1,512	2,500	6,500	32,796	43,308

23. Free reserves

	Group	
	2022 £000	2021 £000
Net assets	43,611	43,511
Less:		
Restricted funds	(1,512)	(1,229)
Designated funds	(2,500)	(2,800)
Investments held for defined benefit pension	(6,500)	(5,084)
Amount represented by tangible and intangible fixed assets	(2,160)	(1,915)
Free reserves of group	30,939	32,483
Free reserves of charity	30,636	32,125

24. Operating lease commitments

Group	Land and buildings		Vehicles and equipment	
	2022 £000	2021 £000	2022 £000	2021 £000
Leases which expire:				
Within one year	3,065	2,965	124	201
Within two to five years	5,487	5,158	191	248
After five years	1,077	669	–	–
	9,629	8,792	315	449

25. Taxation

As a registered charity, Scope is exempt from taxation under Part 11, Chapter 3 of the Corporation Tax Act 2010. Any taxation liabilities of the group are managed through the policy of the trading subsidiary company to gift all taxable profits to Scope. During the year ended 31 March 2022 no charge to tax has been incurred.

26. Members

The charity is incorporated as a company limited by guarantee having no share capital. In accordance with the Memorandum of Association, each one of the 577 Members, (compared to 641 in 2020/21), is liable to contribute £5 if the company is wound up.

27. Related party disclosures

During the year ended 31 March 2022, the group had the following related party transactions.

Scope became a Charity Partner of Deloitte in 2019/20. Alex Massey, Scope Trustee, is a partner at Deloitte and Zeinab Chaudhary, Scope Trustee, is a consultant at Deloitte. The relationship is managed by another Deloitte partner and Alex and Zeinab are not part of the team working with Scope. In 2021/22 Deloitte provided £167,256 of consultancy as donations in kind (included in note 3).

We earned income from Sainsbury's, where Joanne Hall, Scope Trustee, is Head of Stores, of £12,437 for research panel services.

During the year ended 31 March 2022, the following transactions occurred between the companies within the group:

- Gift Aid is to be paid to Scope from Scope Central Trading Limited - see note 9 (Subsidiaries' income and costs).

28. Ultimate parent undertaking and controlling party

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

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

29. Pension scheme

Scope operates the following pension schemes.

- A single employer defined benefit pension scheme. The Scope Pension Scheme was closed to new members and new accruals in 2007. Current membership of the Scheme is 936 pensioners and 708 deferred members (compared to 919 pensioners and 757 deferred members in 2020/21). The Scheme is managed separately to Scope's finances by Scope Pension Scheme Trustee Limited, which delegates services to a variety of bodies. Contributions to cover expenses and to recover any deficit in the Scheme are paid from time to time to the Scheme. This is in accordance with the Schedule of Contributions agreed between the Trustees and Scope.
- The Defined Contribution Stakeholder Pension Scheme was opened on 1 October 2003, when the existing Scope Pension Scheme was closed to new members. The stakeholder scheme was closed to further contributions on 30 June 2013. On 1 July 2013, and to comply with Government legislation on auto enrolment, a defined contribution Group Personal Pension Plan was opened to replace the stakeholder pension scheme. Employees were able to join when it began, or after a deferred period of three months. There are currently 849 active members compared to 738 in 2020/21.

Additional details are provided for the primary schemes as follows:

A. Scope Pension Scheme

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

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

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

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

Assumptions	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
RPI inflation (per annum)	3.9%	3.4%	2.7%	3.3%	3.2%
CPI inflation (per annum)	2.9%	2.4%	1.9%	2.2%	2.1%
Discount rate (per annum)	2.8%	2.0%	2.5%	2.4%	2.7%
Pension increases (PPI – 3% per annum minimum, 5% per annum maximum)	3.9%	3.7%	3.5%	3.7%	3.7%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 65 would be expected to live for a further 22 years (22 years 2020/21) and a female pensioner aged 65 would be expected to live a further 24 years (24 years 2020/21). Allowance is made for future improvements in life expectancy.

Asset distribution and expected return:

	31 March 2022		31 March 2021	
	Current allocation	Fair value £000	Current allocation	Fair value £000
Liability driven investments	27%	28,566	22%	25,505
Diversified growth funds	8%	8,293	7%	8,205
Corporate bonds	14%	14,792	14%	16,560
Multi-asset credit	11%	12,734	11%	13,096
Cash	9%	9,936	12%	13,184
Insured pensions	31%	33,010	34%	39,032
Total	100%	107,331	100%	115,582

	31 March 2022 £000	31 March 2021 £000
Balance sheet		
Present value of Scheme liabilities	95,928	107,504
Total fair value of Scheme assets	(107,331)	(115,582)
Surplus	(11,403)	(8,078)
Adjustment to reflect asset limit	11,403	8,078
Pension asset	–	–

Under FRS 102, the Scheme is represented on the balance sheet at 31 March 2022 as a £nil asset (£nil 2020/21) as Scope does not have an unconditional right to a refund as per the Trust Deed and consultation with our actuaries.

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

	31 March 2022 £000	31 March 2021 £000
Running costs	349	304
Past service cost	–	–
Net return to charge to finance income	349	304

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

	At 31 March 2022 £000	At 31 March 2021 £000
Remeasurements	(3,513)	10,336
Change in asset limit other than interest	3,164	(10,640)
Actuarial gains recognised	(349)	(304)

Changes in the present value of the Scheme liabilities:

	31 March 2022 £000	31 March 2021 £000
Opening present value of Scheme liabilities	107,504	96,136
Interest on Scheme liabilities	2,111	2,361
Past service cost	—	—
Actuarial (gain)/loss	(9,779)	12,454
Benefits paid	(3,908)	(3,447)
Closing present value of Scheme liabilities	95,928	107,504

Changes in the fair value of the Scheme assets:

	At 31 March 2022 £000	At 31 March 2021 £000
Opening fair value of the Scheme assets	115,582	114,397
Interest on Scheme assets	2,273	2,817
Actual return on Scheme assets less interest on Scheme assets	(6,267)	2,119
Contributions by the employer	—	—
Running costs	(349)	(304)
Benefits paid	(3,908)	(3,447)
Closing fair value of the Scheme assets	107,331	115,582

Changes in the net balance sheet position:

	31 March 2022 £000	31 March 2021 £000
Opening net asset	—	—
Return to charge to finance income	349	304
Actuarial gains recognised	(349)	(304)
Employer contributions	—	—
Closing net asset	—	—

Changes in the impact of the asset ceiling:

	31 March 2022 £000	31 March 2021 £000
Effect of asset ceiling at the start of the year	8,078	18,261
Interest on asset limit	161	457
Change in asset limit other than interest	3,164	(10,640)
Pension asset	11,403	8,078

B. Group Personal Pension Plan

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

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

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

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

Scope made payments to the Group Personal Pension Plan including salary sacrifice which amounted to £1,072,825 in 2021/22 (compared to £1,079,545 in 2020/21).