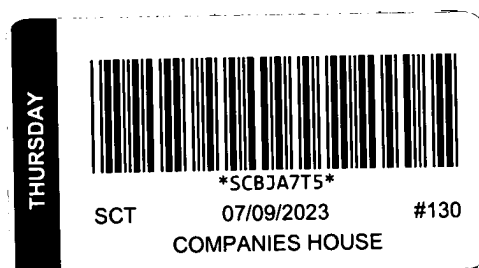


Company Registration No: SC086651
Charity Registration No: SC016293



Sacro
(A company limited by guarantee)
Financial statements and Trustees' Report
For the year ended 31 March 2023





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Reference and administrative information

Directors

Jonathan Beck (appointed 25 May 2022) (Chair)
 Alistair Brown (appointed 25 May 2022)
 James Crichton (ceased on 25 May 2022)
 Fiona Davidson
 Jane Davidson
 Eric Fraser (Deputy Chair)

Howard Elliott (ceased on 27 June 2023)
 Zahra Hedges
 Jayne Laidlaw (appointed 25 May 2022)
 David Mackie
 Kerri Maciver
 Stephen Uphill (ceased on 25 May 2022)
 James Wilson (ceased on 17 March 2023)

Observer

Stephen Harper – Community Justice Operational
 Unit, Justice Department
 Scottish Government

Chief Executive

Annie Mauger-Thompson

President

The Rt. Hon. Lord Carloway

Secretary

Annie Mauger-Thompson

Honorary President

The Rt. Hon. Lord Cullen of Whitekirk

Registered Office

29 Albany Street
 Edinburgh
 EH1 3QN

Auditors

Wylie & Bisset (Audit) Limited
 168 Bath Street
 Glasgow
 G2 4TP

Bankers

Bank of Scotland
 20-22 Shandwick Place
 Edinburgh
 EH2 4RN

Solicitors

CMS Cameron McKenna
 Saltire Court
 20 Castle Terrace
 Edinburgh EH1 2EN

Company registration number

Charity number

SC086651

SC016293



Report of the Trustees and Strategic Report For the year ended 31 March 2023

The Directors present their annual strategic report and audited financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with current statutory requirements, the Articles of Association and the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP FRS 102).

The legal and administrative information on the preceding page forms part of the report.

Structure, governance and management

Sacro is a company limited by guarantee (SC086651) and is registered as a Scottish Charity (SC016293). The management of the Company is the responsibility of a Board of Directors, who are elected by the members in general meeting, under the terms of the Articles of Association.

Directors invited onto the Board have relevant experience and expertise as well as a commitment to furthering the aims and objectives of Sacro. An induction day and programme, meetings with senior staff and visits to services are arranged for each new Director.

Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while they are a member, or within one year after they ceased to be a member, such amount as may be required but not exceeding £5.

Day to day management is delegated to the Chief Executive and senior managers responsible for Operations and Corporate Services.

New trustees are appointed after a recruitment process based on a job description and person specification. Trustee skills are audited to ensure that there is good coverage of all required skills and experience. All appointments are considered by the Appointments and Remuneration Committee.

The Trustees, through the Finance, Audit and Business Development committee consider salaries for all employees, excluding senior management, each year, and make recommendations to the Board based on a comprehensive review of current market conditions.

Sacro operates three committees to review information and to make recommendations to the Board, and Trustees are appointed to these committees based on knowledge and skills. The Finance, Audit and Business Development Committee reviews all financial information including the financial statements and audit reports and considers the strategic position of the charity. The Standards, People, Performance and risk committee considers all HR matters as well as the risk register. The Appointments & Remuneration committee considers all applications for new trustees. The salaries for the Executive Team are considered annually by the Appointments and Remuneration Committee and recommendations are made to the Board who make the final decision on salaries.

The implementation of the new strategy, as discussed below, has seen a move away from old reporting lines towards a more directorate approach with the creation of three service driven directorates to drive continuous improvement and innovation. The three service directorates are as follows:

- Justice directorate ("Justice") – focusing on throughcare, bail supervision, diversion from prosecution and community payback services



Report of the Trustees and Strategic Report For the year ended 31 March 2023

- Care and Housing directorate ("Care") – focusing on social housing support, and care in the community
- Public Protection and Community Safety directorate ("Community Safety") – focusing on intensive support services, domestic abuse and gender based violence, restorative justice and custody support.

Strategic plan 2020-25

The new strategic plan was developed in 2020 during the pandemic and we are now implementing the key elements of our strategy. The plan focuses on putting people at the heart of the development of services and recognises the diversity of the services that Sacro now provides.

Sacro's vision and mission are as follows:

Sacro's Vision: Scotland will be a place of safety, inclusiveness and wellbeing for everyone.
Sacro's Mission: To deliver life changing services that empower people, give hope and protection, and help to build safe communities.

The key focus of the strategy is to ensure that service users are involved in the development of appropriate and sustainable services, that the breadth of services provided by Sacro across the social care sector is understood internally and externally, and that we embed equalities, diversity and inclusion (EDI) in everything that we do. The strategy also includes a refreshed business development strategy and a focus on innovation in service delivery.

Review of achievements and performance during 2022/23

Sacro has performed strongly during 2022/23 and has been able to continue to run the majority of services even though financial pressures have been placed on all of our partners, including local authorities.

We have continued to build on our strong reputation for continuous improvement and innovation, and have established working relationships with new partners, for example our work in delivering support to people in custody through our Navigators programme, in youth justice and our support work for veterans.

We will continue to develop these new partnerships into 2023/24 in order to place ourselves in a stronger position within the sector.

Public Profile

Sacro continues to have a high profile on social media and good coverage in print and broadcast media. During May 2022, we launched our new brand and website which had been designed to promote the range of our services and our core values and mission. We continue to meet with politicians and influencers and to fully engage in sector partnerships.

Plans for the future

Sacro will continue to diversify its funding streams where possible, particularly where opportunities exist to develop new and innovative approaches to our work supporting people. We will focus on services that play to our core strengths and expertise and look for opportunities to develop new services to meet changing priorities and to work in partnership where possible.



Report of the Trustees and Strategic Report For the year ended 31 March 2023

Monitoring achievement

Achievement is monitored by the Board and its sub-committees on a regular basis. The remit of the Finance, Audit and Business Development Committee encompasses the monitoring of financial and business performance, including the review of all financial statements. The Standards, People, Performance and Risk Committee's remit includes the monitoring of internal controls, performance management, quality assurance and legal and statutory compliance.

Financial review

The principal sources of funding during the financial year were grants and contracts with local authorities and the Scottish Government.

The net incoming resources excluding the impact of the pension movements (i.e. the operating surplus/deficit) is a deficit of £288,462 for the year compared to a deficit of £747,868 in the year to 31 March 2022. These figures do not include the actuarial gain on the retirement benefit scheme which was a gain of £9,138,000 (2022: gain of £3,176,000). As per the current guidance on the restriction of recognition of pension assets, the pension asset of £15,898,000 in the current year has not been recognised and the asset recognised in 2022 of £6,741,000 has been reversed. This has resulted in the charity making an overall deficit of £7,048,462 (2022: surplus of £2,428,132).

The balance sheet shows a net asset position of £3,875,733 (2022: £10,924,195), following the de-recognition of the pension asset.

The financial environment in which Sacro operates remains challenging, and the organisation continues to adapt to its changing circumstances.

During the current financial year, the Board considered the financial pressures which were being placed on all Sacro employees due to the continued rise in the cost of living. As a result of this, the Board decided to make a one-off payment of £1,000 to all Sacro employees, which was to be met through the use of general reserves. The impact on the results for the year was circa £200,000 and has been included in the wages and salaries figure within note 11.

Risk management

The Board receives the Risk register as a standing item with an analysis of major risks of which Sacro is aware and their mitigations. Where appropriate, actions and procedures required to strengthen the existing systems have been identified and instigated as part of the Corporate Risk Action Plan and progress is monitored against the agreed timetable at each meeting.

The risk register is broken down into the following risk areas which are considered appropriate by the Board:

- Reputation
- Governance and Leadership
- Financial
- People and Culture
- Legal and Statutory
- Information and data
- Business delivery

Risks are considered for each area and a risk level attached from low to very high.



Report of the Trustees and Strategic Report For the year ended 31 March 2023

Reserves policy

The Directors have considered the requirement for general reserves that are not designated for specific purposes or otherwise committed. In doing so they have considered the need for adequate working capital in services that have little or no reserves. They have also considered the resources necessary for National office to deliver management and support services. The reserves policy has been agreed taking into account three months running costs that is considered necessary to arrange an organised closure of a service should funding be withdrawn.

Restricted reserves at 31 March 2023 amount to £876,541 (2022: £904,857) which comprises funds held in respect of services/projects which continue beyond the balance sheet date.

Unrestricted reserves excluding designated and pension assets at 31 March 2023 amounted to £2,652,572 (2022: £2,931,718). This includes provision for financial commitments including service implementation and decommissioning, investment in infrastructure to ensure efficiency and effectiveness, and approximately three months sustained operational activity to safeguard existing service users.

The level of unrestricted reserves is considered sufficient to meet these requirements and Sacro's policy of maintaining a minimum three months running costs of the remaining service, which amounts to approximately £1,800,000.

Key management personnel remuneration

Sacro's Executive Team comprises the Chief Executive, Chief Operating Officer, Director of Justice, and Director of Public Protection and Community Safety. During the year ended 31 March 2023, a Director of Care and Housing was also in place and is included in the remuneration note below. However, following the end of the financial year this position has been removed and the Executive team now comprises 4 members. The salaries for the Executive Team are considered annually by the Appointments and Remuneration Committee and recommendations are made to the Board who make the final decision on salaries. During the current year a 3% salary increase was agreed for all employees including the Executive Team.

Contributions are made to the defined benefit pension scheme for none of the members (2022: 0). The total staff costs for the 5 members (2022: 5) is analysed as:

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Salaries and wages | 371,548 | 335,876 |
| Social security costs | 48,361 | 41,009 |
| Pension – Defined contribution (Aegon) | 20,735 | 16,596 |
| | <u>440,644</u> | <u>393,481</u> |

Pension (including pension reserve)

During the year, payments were made to a defined benefit scheme, Strathclyde Pension Fund, and to two defined contribution schemes, AEGON and People's Pension. Following a process of extensive communication and due diligence, the Strathclyde pension scheme was closed to new members on 30 September 2013. The defined contribution group pension scheme was opened with AEGON on 1 October 2013 for all new employees.



Report of the Trustees and Strategic Report For the year ended 31 March 2023

Defined benefit pension reserve

Following the implementation of FRS 102, these financial statements include the impact of the most recent valuation of the defined benefit pension fund. Sacro commissioned a review of the actuarial assumptions used for the pension valuation by independent pension advisors. The revised actuarial assumptions more accurately reflect Sacro's position, and have been used by the pension actuary in the pension valuation as at 31 March 2023. The pension fund asset for the year ended 31 March 2023 is £nil (2022: £6,741,000), following the adoption of current guidance on the restriction of recognition of pension assets where no direct access to realise these assets can be identified.

Donations in kind

Sacro appreciates the support of its volunteers and trustees, who give their time freely, and who are involved in the following activities:

- Mediation
- Governance
- Prison visiting transport
- Prisoner and families of prisoner support
- Supported accommodation, and
- Youth justice

Funds held as custodian

Sacro hold funds as custodian in respect of the Shine service funded by the Scottish Government. As the lead partner for the service, part of the funding is due to the other partners who work with Sacro to deliver the service. These funds are held separately in Sacro's financial records to ensure clarity over the amounts which are due to the other partners.

Equal opportunities

Sacro's key value of promoting equality of opportunity acknowledges that all service users, staff and volunteers, irrespective of age, disability, marriage and civil partnership, race, religion or belief, sexual orientation, gender reassignment, pregnancy and maternity or offending background are entitled an environment free from discrimination, intimidation, bullying or harassment. In line with its responsibilities under the Equality Act 2010, Sacro will not tolerate or condone any form of discrimination, bullying or harassment.

- Sacro will make every effort to prevent discrimination or other unfair treatment against any of its staff, volunteers or service users.
- All staff and volunteers will be given equality of opportunity in all aspects of recruitment, employment, training and career development.
- All staff and volunteers are responsible for their own behaviour and it is incumbent upon all staff and volunteers to ensure that they comply with the policies and procedures within Sacro and to highlight any instances where discrimination or harassment takes place

People with disabilities

Applications for employment by people with disabilities are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made in order that their employment with the company may continue. It is the policy of the company that the training, career development and promotion opportunities should be available to all employees.



Report of the Trustees and Strategic Report For the year ended 31 March 2023

Connected charity

On 10 October 1994, the Board of Directors approved a Trust Deed setting up the Sacro Trust. The Trustees of the Sacro Trust comprise ex-officio the Chairperson, Board Members and nominated Trustees. Trust assessors are appointed by the Trustees from National Office staff and Sacro Services. The affairs of the Sacro Trust are examined independently from those of the Company. The contact address is the same as the registered office of Sacro.

Trustees responsibilities in relation to the financial statements

The Trustees of Sacro (who are also Directors of Sacro for the purposes of company law) are responsible for preparing the Report of the Trustees and Strategic Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Principles).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Sacro and of the incoming resources and application of resources, including the income and expenditure, of Sacro for that period. In preparing these financial statements, the Trustees are required to:

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


The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of Sacro and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

In so far as the Trustees are aware:

- a) there is no relevant audit information of which Sacro's auditors are unaware; and
- b) the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Signed by order of the Board of Directors on 23 August 2023

DocuSigned by:

Jonathan Beck
Chair



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2023**

Opinion

We have audited the financial statements of SACRO (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 the going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report and Financial Statements. 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.



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2023**

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 course of 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 this gives rise to 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 Report of the Trustees and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees and the Strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 6 and 7, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2023**

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- The nature of the charity, the environment in which it operates and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risk of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to:

- Regulations and legislation pertinent to the charity's operations; and
- The charity's memorandum & articles.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to:

- Posting inappropriate journal entries.

Audit response to the risks identified

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2023**

- Enquiring of management, trustees and legal advisors concerning actual and potential litigations and claims.
- Reading minutes of meetings of those charged with governance.
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

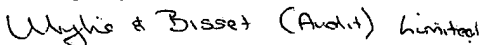
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006.

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Claire Dalrymple

Senior Statutory Auditor

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Date: 23 August 2023

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



Statement of financial activities
(Including an Income and Expenditure account)
For the year ended 31 March 2023

| | <i>Note</i> | Restricted funds 2023 £ | Unrestricted funds 2023 £ | Total funds 2023 £ | Restricted funds 2022 £ | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---|-------------|----------------------------------|------------------------------------|-----------------------------|----------------------------------|------------------------------------|-----------------------------|
| Income from: | | | | | | | |
| Donations | 4 | - | 3,925 | 3,925 | - | 3,368 | 3,368 |
| Voluntary income | 5 | - | 451,286 | 451,286 | - | 451,286 | 451,286 |
| Investment income | 6 | - | 47,020 | 47,020 | - | 10,107 | 10,107 |
| Other income | 18 | - | 179,000 | 179,000 | - | 74,000 | 74,000 |
| | | - | 681,231 | 681,231 | - | 538,761 | 538,761 |
| Income from charitable activities | | | | | | | |
| Justice | 7 | 1,541,846 | 1,310,831 | 2,852,677 | 1,145,566 | 1,267,159 | 2,412,725 |
| Care | 7 | - | 2,992,108 | 2,992,108 | - | 2,749,040 | 2,749,040 |
| Community Safety | 7 | 292,167 | 2,409,914 | 2,702,081 | 489,055 | 1,797,619 | 2,286,674 |
| | | 1,834,013 | 6,712,853 | 8,546,866 | 1,634,621 | 5,813,818 | 7,448,439 |
| Total income | | 1,834,013 | 7,394,084 | 9,228,097 | 1,634,621 | 6,352,579 | 7,987,200 |
| Expenditure on: | | | | | | | |
| Justice | 8 | 1,541,726 | 2,094,882 | 3,636,608 | 1,108,172 | 3,430,961 | 4,539,133 |
| Care | 8 | - | 3,181,137 | 3,181,137 | - | 2,345,308 | 2,345,308 |
| Community Safety | 8 | 295,343 | 2,403,471 | 2,698,814 | 522,990 | 1,327,637 | 1,850,627 |
| Total expenditure | | 1,837,069 | 7,679,490 | 9,516,559 | 1,631,162 | 7,103,906 | 8,735,068 |
| Net (expenditure)/income | | (3,056) | (285,406) | (288,462) | 3,459 | (751,327) | (747,868) |
| Net transfers between funds | 16 | (25,260) | 25,260 | - | (200,830) | 200,830 | - |
| Movement in pension asset arising from re-measurements | | | | | | | |
| | | - | 9,138,000 | 9,138,000 | - | 3,176,000 | 3,176,000 |
| Restriction on pension asset | | - | (15,898,000) | (15,898,000) | - | - | - |
| Net movement in funds | | (28,316) | (7,020,146) | (7,048,462) | (197,371) | 2,625,503 | 2,428,132 |
| Total funds brought forward | | 904,857 | 10,019,338 | 10,924,195 | 1,102,228 | 7,393,835 | 8,496,063 |
| Total funds carried forward | | 876,541 | 2,999,192 | 3,875,733 | 904,857 | 10,019,338 | 10,924,195 |


The statement of financial activities includes all gains and losses recognised in the year.



Balance Sheet
As at 31 March 2023

| | <i>Notes</i> | 2023 | 2022 |
|---|--------------|--------------------|-------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 12 | <u>378,814</u> | <u>339,838</u> |
| Current assets | | | |
| Debtors | 13 | 1,061,250 | 717,602 |
| Cash at bank and in hand | | <u>3,574,663</u> | <u>4,106,615</u> |
| | | 4,635,913 | 4,824,217 |
| Current liabilities | | | |
| Creditors: Amounts falling due within one year | 14 | <u>(1,138,994)</u> | <u>(980,860)</u> |
| Net current assets | | 3,496,919 | 3,843,357 |
| Net assets excluding pension scheme asset | | 3,875,733 | 4,183,195 |
| Defined benefit pension scheme asset | 18 | - | 6,741,000 |
| Net assets | | <u>3,875,733</u> | <u>10,924,195</u> |
| Reserves | | | |
| Unrestricted funds | | | |
| General funds | 16 | 2,652,572 | 2,931,718 |
| Designated funds | 16 | <u>346,620</u> | <u>346,620</u> |
| Total unrestricted funds excluding pension reserve | | 2,999,192 | 3,278,338 |
| Pension reserve | 16 | - | 6,741,000 |
| Total unrestricted funds including pension reserve | | <u>2,999,192</u> | <u>10,019,338</u> |
| Restricted funds | 16 | 876,541 | 904,857 |
| Total funds | | <u>3,875,733</u> | <u>10,924,195</u> |

The financial statements were authorised for issue by the Board on 23 August 2023 and signed on its behalf by:

DocuSigned by:


3D2BE17D12864F1...

Jonathan Beck

Chair

Sacro – Registration Number SC086651

The notes on pages 15 to 28 form part of these financial statements.



Statement of cash flow
For the year ended 31 March 2023

| | <i>Note</i> | 2023 £ | 2022 £ |
|--|-------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash used by operating activities | a) | (413,734) | (43,786) |
| Cash flows from investing activities | | | |
| Investment income | | 47,020 | 10,107 |
| Purchase of fixed asset additions | | (165,238) | (121,616) |
| Net cash used by investing activities | | <u>(118,218)</u> | <u>(111,509)</u> |
| Change in cash and cash equivalents in the year | | <u>(531,952)</u> | <u>(155,295)</u> |
| Cash and cash equivalents brought forward | | 4,106,615 | 4,261,910 |
| Cash and cash equivalents carried forward | | <u>3,574,663</u> | <u>4,106,615</u> |

| Note to the cash flow statement | 2023 £ | 2022 £ |
|---|-------------------------|------------------------|
| a) Reconciliation of operating deficit to net cash outflow from operating activities | | |
| Operating deficit | (288,462) | (747,868) |
| Depreciation charge | 126,262 | 127,630 |
| (Increase)/decrease in debtors | (343,648) | 133,676 |
| Increase in creditors | 158,134 | 324,883 |
| Pension fund adjustment (FRS 102) | (19,000) | 128,000 |
| Investment income | (47,020) | (10,107) |
| Net cash used by operating activities | <u>(413,734)</u> | <u>(43,786)</u> |

The notes on pages 15 to 28 form part of these financial statements



Notes to the financial statements
For the year ended 31 March 2023

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice (effective 1 January 2019).

The charity constitutes a public benefit entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Funds structure

Unrestricted income funds comprise the general reserve and designated funds, which have been set aside by the Directors to fund specific future projects in the furtherance of Sacro's objectives.

Restricted funds are funds subject to specific restrictions imposed by the donor or funding authority. Where services have closed with surplus funds and these are not going to be clawed back by the funder, these surpluses have been transferred from restricted funds to unrestricted funds.

Income recognition

All incoming resources are included in the statement of financial activities when Sacro is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by Sacro, are recognised when the charity becomes unconditionally entitled to the grant.

- Donated services and facilities are included at the value to Sacro where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as Sacro earns the right to consideration by its performance.



**Notes to the financial statements
For the year ended 31 March 2023**

Income is deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure recognition

Resources expended are charged directly to charitable activities or governance costs as appropriate. Where it is not possible to attribute costs directly, they are allocated on a basis appropriate to the nature of the expenditure. Support costs are allocated in proportion to each project or service.

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT and is reported as part of the expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by Sacro in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of Sacro and include the audit fees and costs linked to the strategic management of the charity
- All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of Sacro and its compliance with regulation and good practice. These costs include costs related to statutory audit and Trustee expenses.

The allocation of support and governance costs is analysed in note 9.

Pensions

During the year, payments were made to a defined benefit scheme (Strathclyde Pension Fund), two defined contribution schemes (Aegon and People's Pension) and also to a personal pension plan. The cost of pension contributions and actuarial gains are charged to the income and expenditure account and statement of financial activities in the year to which it relates.

The Strathclyde Pension Fund scheme closed to new members on the 30 September 2013. From this date any new staff have the option to join a group personal pension plan operated by Aegon. This is a defined contribution scheme.



**Notes to the financial statements
For the year ended 31 March 2023**

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements – 7 years straight line

IT systems – 4 years straight line

Fixtures, fittings & equipment – 4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of financial activities. Fixed assets comprise of items costing more than £250.

The work in progress balance relates to the ongoing development of a new IT system. As the IT system has not been brought into use, it is held as a work in progress balance and not depreciated. At the time it is brought into use it will be transferred to the relevant asset category and depreciated as such.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.



Notes to the financial statements
For the year ended 31 March 2023

Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

VAT

The company is not registered for VAT and accordingly expenditure includes VAT as appropriate.

Redundancy

Redundancy payments are made in line with legislation and best practice following consultation and consideration of all alternatives. Amounts are recognised when redundancy has been identified and the amounts are quantifiable.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Judgements and key sources of estimation

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Directors consider the estimate in respect of the retirement benefit asset to be of particular significance in the preparation of the financial statements. As disclosed in note 18, the charity operated a defined benefit pension scheme up until 30 September 2013 when the scheme was closed to new members. Year-end recognition of the scheme asset requires a number of significant assumptions to be made, relating to rates of mortality, key financial market indicators such as inflation and expectations of future asset returns. These assumptions are made by the charity in conjunction with the schemes' actuaries.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Legal status

Sacro is a registered Scottish charity. The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5.



Notes to the financial statements
For the year ended 31 March 2023

3. Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £nil). Trustee expenses of £752 were paid in the year (2022: £nil).

During the year no Trustee had any personal interest in a contract or transaction entered into by the charity (2022: nil). The total expenses waived by the Trustees in 2023 were £nil (2022: £nil).

4. Income from donations and legacies

| | 2023 | 2022 |
|-----------|-------|-------|
| | £ | £ |
| Donations | 3,925 | 3,368 |

5. Voluntary income

| | 2023 | 2022 |
|--------------------------------------|---------|---------|
| | £ | £ |
| Scottish Government Section 10 Grant | 451,286 | 451,286 |

6. Investment income

| | 2023 | 2022 |
|---------------------------|--------|--------|
| | £ | £ |
| Interest on cash deposits | 47,020 | 10,107 |

7. Income from charitable activities

| | Justice | Care | Community Safety | 2023 |
|-------------------------|------------------|------------------|---------------------|------------------|
| | £ | £ | £ | £ |
| Local authorities | 1,300,580 | 2,584,158 | 2,396,024 | 6,280,762 |
| Scottish Government | 637,992 | - | 292,167 | 930,159 |
| Other funding providers | 845,041 | 274,328 | 13,890 | 1,133,259 |
| Rent, service charges | - | 133,622 | - | 133,622 |
| Other income | 69,064 | - | - | 69,064 |
| | <u>2,852,677</u> | <u>2,992,108</u> | <u>2,702,081</u> | <u>8,546,866</u> |

| | Justice | Care | Community Safety | 2022 |
|-------------------------|------------------|------------------|---------------------|------------------|
| | £ | £ | £ | £ |
| Local authorities | 1,310,532 | 2,351,621 | 2,007,519 | 5,669,672 |
| Scottish Government | 561,146 | - | 278,055 | 839,201 |
| Other funding providers | 496,352 | 246,686 | - | 743,038 |
| Rent, service charges | - | 145,271 | - | 145,271 |
| Other income | 44,695 | 5,462 | 1,100 | 51,257 |
| | <u>2,412,725</u> | <u>2,749,040</u> | <u>2,286,674</u> | <u>7,448,439</u> |



Notes to the financial statements
For the year ended 31 March 2023

7. Income from charitable activities (continued)

Scottish Government income from charitable activities (as above)

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Shine PSP Grant | 514,700 | 456,000 |
| Scottish Government Tackling Sectarianism Programme | 66,359 | 65,000 |
| Equality Fund | 329,100 | 298,309 |
| Tampon Tax Fund | - | 19,892 |
| Veterans – Changing Steps | 20,000 | - |
| | <u>930,159</u> | <u>839,201</u> |

There are no unfulfilled conditions arising from the award of grants.

8. Analysis of expenditure on charitable activities

| | Justice | Care | Community Safety | 2023 |
|----------------------------|------------------|------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Direct costs | 3,464,188 | 3,181,137 | 2,698,814 | 9,344,139 |
| Governance costs (note 9) | 12,420 | - | - | 12,420 |
| Pension movement (note 19) | 160,000 | - | - | 160,000 |
| | <u>3,636,608</u> | <u>3,181,137</u> | <u>2,698,814</u> | <u>9,516,559</u> |

| | Justice | Care | Community Safety | 2022 |
|----------------------------|------------------|------------------|-------------------------|------------------|
| | £ | £ | £ | £ |
| Direct costs | 4,322,985 | 2,345,308 | 1,850,627 | 8,518,920 |
| Governance costs (note 9) | 14,148 | - | - | 14,148 |
| Pension movement (note 19) | 202,000 | - | - | 202,000 |
| | <u>4,539,133</u> | <u>2,345,308</u> | <u>1,850,627</u> | <u>8,735,068</u> |

The FRS 102 pension adjustment of £160,000 (2022: £202,000) has been applied to Justice unrestricted expenditure £2,094,882 (2022: £3,430,961) on the statement of financial activities (page 12). The actual figure before the pension adjustment would be £1,934,882 (2022: £3,228,961).

9. Governance costs

| | 2023 | 2022 |
|----------------------|-------------|-------------|
| | £ | £ |
| Auditor remuneration | 12,420 | 14,148 |

Governance costs are allocated to Justice as detailed in note 8.



Notes to the financial statements
For the year ended 31 March 2023

10. Total resources expended are stated after charging:

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Auditor remuneration – external audit | 12,420 | 14,148 |
| Depreciation | 126,262 | 127,630 |
| Operating lease rentals – land and buildings | 198,278 | 234,220 |
| Operating lease rentals - equipment | 4,860 | 5,636 |
| | <u>341,820</u> | <u>381,634</u> |

11. Analysis of staff costs

| | 2023 | 2022 |
|--|------------------|------------------|
| | £ | £ |
| Salaries and wages | 6,717,521 | 5,985,325 |
| Social security costs | 558,309 | 465,616 |
| Pension – Defined benefit (Strathclyde Pension Fund) | 92,590 | 114,911 |
| Pension – Defined contribution (Aegon) | 294,680 | 257,402 |
| Pension – Defined contribution (People's Pension) | 14,926 | 10,436 |
| | <u>7,678,026</u> | <u>6,833,690</u> |

4 (2022: 4) employees received emoluments of more than £60,000 during the year, including all employer national insurance contributions and pension contributions.

| | 2023 | 2022 |
|---------------------|-------------|-------------|
| | No | No |
| £70,001 - £80,000 | 1 | 2 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 1 | 1 |
| £100,000 - £110,000 | 1 | - |

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Salaries and wages | 371,548 | 335,876 |
| Social security costs | 48,361 | 41,009 |
| Pension – Defined contribution (Aegon) | 20,735 | 16,596 |
| | <u>440,644</u> | <u>393,481</u> |

During the year the charity incurred redundancy and termination payments as follows:

| Nature of payment | Basis of payment | 2023 | 2022 |
|--------------------------|--------------------------|---------------|--------------|
| | | £ | £ |
| Redundancy payments | Statutory redundancy pay | <u>14,425</u> | <u>5,505</u> |



Notes to the financial statements
For the year ended 31 March 2023

11. Analysis of staff costs (continued)

The average weekly number of persons, by headcount, employed during the year was:

| | 2023 | 2022 |
|-----------|---------------|---------------|
| | Number | Number |
| Employees | <u>286</u> | <u>294</u> |

12. Tangible fixed assets

| | Work in progress £ | Leasehold improvement £ | IT system £ | Fixtures, fittings & equipment £ | Total £ |
|-----------------------|-----------------------------------|--|----------------------------|---|--------------------|
| Cost | | | | | |
| At 1 April 2022 | 100,836 | 10,816 | 236,365 | 276,118 | 624,135 |
| Additions | 103,558 | - | - | 61,680 | 165,238 |
| Disposals | - | - | - | (39,173) | (39,173) |
| At 31 March 2023 | <u>204,394</u> | <u>10,816</u> | <u>236,365</u> | <u>298,625</u> | <u>750,200</u> |
| Depreciation | | | | | |
| At 1 April 2022 | - | 1,026 | 126,525 | 156,746 | 284,297 |
| On disposals | - | - | - | (39,173) | (39,173) |
| Charge for the year | - | 1,514 | 59,091 | 65,657 | 126,262 |
| At 31 March 2023 | <u>-</u> | <u>2,540</u> | <u>185,616</u> | <u>183,230</u> | <u>371,386</u> |
| Net book value | | | | | |
| At 31 March 2023 | <u>204,394</u> | <u>8,276</u> | <u>50,749</u> | <u>115,395</u> | <u>378,814</u> |
| At 31 March 2022 | <u>100,836</u> | <u>9,790</u> | <u>109,840</u> | <u>119,372</u> | <u>339,838</u> |

13. Debtors

| | 2023 | 2022 |
|---|------------------|----------------|
| | £ | £ |
| Grants due from local authorities & Scottish Government | 770,999 | 522,885 |
| Sundry debtors and prepayments | 118,233 | 126,981 |
| Accrued Income | 172,018 | 67,736 |
| | <u>1,061,250</u> | <u>717,602</u> |



Notes to the financial statements
For the year ended 31 March 2023

14. Creditors: amounts falling due within one year

| | 2023 | 2022 |
|-----------------------------|------------------|----------------|
| | £ | £ |
| Deferred income (see below) | 340,350 | 235,221 |
| Trade creditors | 132,575 | 167,832 |
| Sundry creditors | 260,183 | 178,938 |
| Accruals | 200,986 | 186,365 |
| Funds held as custodian | 204,900 | 212,504 |
| | <u>1,138,994</u> | <u>980,860</u> |

| Deferred income | 2023 |
|---|----------------|
| | £ |
| Balance as at 1 April 2022 | 235,221 |
| Amount released to income earned from charitable activities | (235,221) |
| Amount deferred in year | 340,350 |
| Balance as at 31 March 2023 | <u>340,350</u> |

Deferred income comprises service funding relating to 2023/24.

15. Analysis of net assets between funds

| | Tangible fixed assets £ | Debtors £ | Cash £ | Current liabilities £ | Pension scheme £ | Total 2023 £ |
|--------------------|----------------------------------|------------------|------------------|-----------------------------|------------------------|--------------------|
| Restricted funds | - | 32,841 | 1,271,875 | (428,175) | - | 876,541 |
| Unrestricted funds | 378,814 | 1,028,409 | 2,302,788 | (710,819) | - | 2,999,192 |
| | <u>378,814</u> | <u>1,061,250</u> | <u>3,574,663</u> | <u>(1,138,994)</u> | <u>-</u> | <u>3,875,733</u> |

| | Tangible fixed assets £ | Debtors £ | Cash £ | Current liabilities £ | Pension scheme £ | Total 2022 £ |
|--------------------|----------------------------------|----------------|------------------|-----------------------------|------------------------|--------------------|
| Restricted funds | - | 43,250 | 1,105,485 | (243,878) | - | 904,857 |
| Unrestricted funds | 339,838 | 674,352 | 3,001,130 | (736,982) | 6,741,000 | 10,019,338 |
| | <u>339,838</u> | <u>717,602</u> | <u>4,106,615</u> | <u>(980,860)</u> | <u>6,741,000</u> | <u>10,924,195</u> |



Notes to the financial statements
For the year ended 31 March 2023

16. Analysis of charitable funds

| Analysis of fund movements | Balance b/fwd 2022 £ | Income £ | Expenses £ | Transfer £ | Gains/ (Losses) £ | Fund c/fwd 2023 £ |
|---|---|---------------------|-----------------------|-----------------------|----------------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Staff training | 136,839 | - | - | - | - | 136,839 |
| Growth fund | 209,781 | - | - | - | - | 209,781 |
| Total designated funds | 346,620 | - | - | - | - | 346,620 |
| General funds | 2,931,718 | 7,215,084 | (7,519,490) | 25,260 | - | 2,652,572 |
| Total unrestricted funds excluding pension reserve | 3,278,338 | 7,215,084 | (7,519,490) | 25,260 | - | 2,999,192 |
| Pension fund | | | | | | |
| Pension fund | 6,741,000 | 179,000 | (160,000) | - | 9,138,000 | 15,898,000 |
| Restriction on pension fund net assets | - | - | - | - | (15,898,000) | (15,898,000) |
| Total unrestricted funds including pension reserve | 10,019,338 | 7,394,084 | (7,679,490) | 25,260 | (6,760,000) | 2,999,192 |
| Restricted fund | | | | | | |
| Justice | 425,758 | 1,541,846 | (1,541,726) | - | - | 425,878 |
| Community Safety | 353,839 | 292,167 | (295,343) | - | - | 350,663 |
| IT reserve | 25,260 | - | - | (25,260) | - | - |
| Property reserve | 100,000 | - | - | - | - | 100,000 |
| Total restricted funds | 904,857 | 1,834,013 | (1,837,069) | (25,260) | - | 876,541 |
| TOTAL FUNDS | 10,924,195 | 9,228,097 | (9,516,559) | - | (6,760,000) | 3,875,733 |



Notes to the financial statements
For the year ended 31 March 2023

16. Analysis of charitable funds (continued)

| Analysis of Fund movements | Balance b/fwd 2021 As restated £ | Income £ | Expenses £ | Transfers £ | Gains/ (Losses) £ | Fund c/fwd 2022 £ |
|---|---|------------------|--------------------|------------------|-------------------------|----------------------------|
| Unrestricted funds | | | | | | |
| Staff training | 136,839 | - | - | - | - | 136,839 |
| Growth fund | 209,781 | - | - | - | - | 209,781 |
| Total designated funds | 346,620 | - | - | - | - | 346,620 |
| General funds | 3,354,215 | 6,278,579 | (6,901,906) | 200,830 | - | 2,931,718 |
| Total unrestricted funds excluding pension reserve | 3,700,835 | 6,278,579 | (6,901,906) | 200,830 | - | 3,278,338 |
| Pension fund | | | | | | |
| Pension fund | 3,693,000 | 74,000 | (202,000) | - | 3,176,000 | 6,741,000 |
| Total unrestricted funds including pension reserve | 7,393,835 | 6,352,579 | (7,103,906) | 200,830 | 3,176,000 | 10,019,338 |
| Restricted fund | | | | | | |
| Justice | 388,364 | 1,145,566 | (1,108,172) | - | - | 425,758 |
| Community safety | 387,774 | 489,055 | (522,990) | - | - | 353,839 |
| IT reserve | 25,260 | - | - | - | - | 25,260 |
| Property reserve | 300,830 | - | - | (200,830) | - | 100,000 |
| Total restricted funds | 1,102,228 | 1,634,621 | (1,631,162) | (200,830) | - | 904,857 |
| TOTAL FUNDS | 8,496,063 | 7,987,200 | (8,735,068) | - | 3,176,000 | 10,924,195 |

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

- £136,839 is funding set aside to meet the cost of future staff training which Sacro is legally obliged to provide.
 - £209,781 is funding set aside from legacies into a growth fund for Sacro to utilise for development purposes.
- b) The pension fund relates to a defined benefit pension scheme held with The Strathclyde Pension Fund.



Notes to the financial statements
For the year ended 31 March 2023

16. Analysis of charitable funds (continued)

- c) Restricted funds have been received specifically to support work within:
- Justice directorate; and
 - Community Safety directorate.

These funds are held as restricted and accounted for separately. The restrictions imposed relate to the running of services specifically related to Justice and Community Safety purposes. Such funds cannot be used to support the general work of Sacro and are used for specific services as required under the funding agreements.

In addition, funds were received to specifically support future investment in IT equipment (IT reserve) and to cover the development of leased properties (Property reserve). In the year £25,260 has been transferred from the IT reserve to the general funds to cover part of the investment cost in new IT support systems.

17. Operating lease commitments

The total commitments on non-cancellable operating leases are as follows:

| | Land & buildings £ | Equipment £ | 2023 £ | 2022 £ |
|-----------------------|--------------------------|----------------|----------------|----------------|
| On leases expiring – | | | | |
| Within 1 year | 228,085 | 4,376 | 232,461 | 237,747 |
| Between 2 and 5 years | 245,540 | 4,011 | 249,551 | 465,842 |
| More than 5 years | - | - | - | 111,167 |
| | <u>473,625</u> | <u>8,387</u> | <u>482,012</u> | <u>814,756</u> |



Notes to the financial statements
For the year ended 31 March 2023

18. Pension costs

Sacro is a member of The Strathclyde Pension Fund, a defined benefit scheme. During the year ended 31 March 2023 contributions were set at 17.60% (2022: 17.60%). The charge for the year was £92,590 (2022: £114,911) as stated in note 11.

The most recent valuation of the pension scheme was as at 31 March 2023 using the Projected Unit Method. The major assumptions used by the actuary were:

| Assumptions | 2023 | 2022 |
|--------------------|---------------|---------------|
| | % p.a. | % p.a. |
| Pension increases | 2.95 | 3.20 |
| Salary increases | 3.65 | 3.90 |
| Discount rate | 4.75 | 2.70 |

| Net pension asset | 2023 | 2022 |
|---------------------------------------|---------------------|---------------------|
| | £ | £ |
| Estimated employer assets | 38,536,000 | 40,039,000 |
| Present value of scheme liabilities | (22,615,000) | (33,274,000) |
| Present value of unfunded liabilities | (23,000) | (24,000) |
| | <u>(22,638,000)</u> | <u>(33,298,000)</u> |
| Restriction on net assets | <u>(15,898,000)</u> | <u>-</u> |
| | <u>-</u> | <u>6,741,000</u> |

| Analysis of the amount charged to net incoming resources | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Current service cost | 256,000 | 317,000 |
| | <u>256,000</u> | <u>317,000</u> |

| Analysis of amount credited to other finance income | 2023 | 2022 |
|--|----------------|---------------|
| | £ | £ |
| Interest income on pension plan assets | 1,072,000 | 766,000 |
| Interest cost on defined benefit obligation | (893,000) | (692,000) |
| | <u>179,000</u> | <u>74,000</u> |



Notes to the financial statements
For the year ended 31 March 2023

18. Pension costs (continued)

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| Total re-measurements recognised in the statement of financial activities | | |
| Changes in demographic assumptions | 255,000 | 191,000 |
| Changes in financial assumptions | 13,006,000 | 994,000 |
| Other experience re-measurements | (2,149,000) | (115,000) |
| Return on net assets excluding amounts included in net interest | (1,974,000) | 2,106,000 |
| | <u>9,138,000</u> | <u>3,176,000</u> |
| Movement in surplus during the year | 2023 | 2022 |
| | £ | £ |
| Surplus at beginning of the year | 6,741,000 | 3,693,000 |
| Current service cost | (256,000) | (317,000) |
| Employer contributions | 92,000 | 111,000 |
| Contributions in respect of unfunded benefits | 4,000 | 4,000 |
| Total net interest | 179,000 | 74,000 |
| Total re-measurements recognised in the statement of financial activities (page 12) | 9,138,000 | 3,176,000 |
| Restriction on net assets | (15,898,000) | - |
| | <u>-</u> | <u>6,741,000</u> |

19. FRS 102 pension adjustment

The pension as at 31 March 2023 is reported as an asset of £nil (2022: £6,741,000), due to current guidance on the restriction of the recognition of pension assets where no direct access to realise these assets is identifiable.

The actuarial gain for the year is £9,138,000 (2022: £3,176,000).

The impact of the pension movement on the statement of financial activities is summarised as follows:

| | 2023 | 2022 |
|--|---------------|------------------|
| | £ | £ |
| Incoming resources | | |
| <i>(Contributions by members less interest on pension liabilities)</i> | 179,000 | 74,000 |
| Outgoing resources | | |
| <i>(Current service cost less contributions for unfunded benefits)</i> | (160,000) | (202,000) |
| | <u>19,000</u> | <u>(128,000)</u> |