

Company Registration No: SC086651

Charity Registration No: SC016293

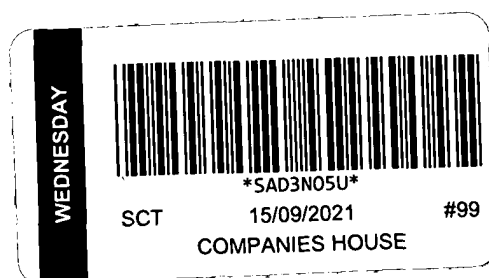


Sacro

(A company limited by guarantee)

Financial statements and Trustees' Report

For the year ended 31 March 2021





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Reference and administrative information

Directors

James Crichton (Chair)
Alexander Cameron CBE (Retired 25 November 2020)
Daniel Gunn OBE (Depute Chair)
Fiona Davidson
Jane Davidson
Eric Fraser
Arun Gopinath (resigned 26th March 2021)

Mary Pitcaithly (resigned 17th March 2021)
Stephen Uphill
James Wilson (appointed 25th November 2020)
Kerri MacIver (appointed 17th March 2021)

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

SC086651

Charity number

SC016293



Report of the Trustees and Strategic Report For the year ended 31 March 2021

The Directors present their annual strategic report and audited financial statements for the year ended 31 March 2021.

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 are invited onto the Board who have relevant experience and expertise as well as a commitment to furthering the aims and objectives of Sacro. An induction programme of information, 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 by the Annual General Meeting after a recruitment process based on a job description and person specification. New trustees undergo a formal induction process and all trustee skills are audited to ensure that there is good coverage of all required skills and experience.

The Trustees, through the Appointments and Remuneration committee consider salaries for all employees, including senior management, each year, and make recommendations to the Board based on comprehensive review of current market conditions.

Strategic plan 2020-25

Sacro was due to publish a new strategic plan for 2020-25 in 2020, but this was delayed due to several significant changes: a new Chair of Board and Chief Executive and the onset of the Covid 19 pandemic. We adjusted the timescale to deliver the next strategy and called the work 'Project 50' - recognising Sacro's fiftieth birthday in 2021. This major piece of work has been developed in close collaboration with the trustees and team members and in consultation with partners.

The strategy will focus on putting people at the heart of the development of services and recognise the diversity of the services that Sacro now provides. In parallel, an organisational re-structure will be delivered to focus on practice-led expertise and innovation. Equality and diversity will be at the heart of everything that we do.

New initiatives will include a major programme of service user engagement, a revised business development strategy, a new equality, diversity and inclusion framework, a brand refresh, and the development of innovation in technology to support services.



Report of the Trustees and Strategic Report For the year ended 31 March 2021

Sacro's new 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 new 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.

New initiatives will include a major programme of service user engagement, a revised business development strategy, a new EDI framework, a brand refresh, and the development of innovation in technology to support services.

Review of achievements and performance during 2020/21

During 2020/21, confirmation of funding for existing services has been encouraging although it has been clear that austerity measures continue to present financial pressures on our partners, particularly local authorities challenged by Covid-19 lockdown restrictions.

In 2020/21, maintaining our strong reputation for continuous improvement and innovation, Sacro undertook to continue to develop its focus on person centred services and we were able to set up and deliver new and additional programmes. Some services had to be suspended for a time due to the pandemic, suspension of court business, and restricted access to prisons which completely changed the delivery of services such as the Shine PSP.

We are proud that we have been able to sustain all our services in some form and to deliver new and innovative ways of keeping close contact with and supporting our service users. A significant number of services, particularly those scrutinised by the Care Inspectorate, have continued to operate fully with as many safety measures as possible in place. Our teams have been working on the front line in the pandemic and we are proud of their work and resilience.

We have continued to provide youth justice support, mediation, domestic abuse services, mentoring and services for women among many others. We have developed our online capabilities to be able to continue to operate, many of us from home, and benefited significantly from the migration to a new digital platform in 2019.

Investors in People

We were delighted to receive the Investors in People Gold Award in 2020/21. This is a credit to the work of all our teams and the excellence of their managers.

Public Profile

Sacro has a high profile on social media and good coverage in print and broadcast media. We continue to meet with politicians and influencers and to be fully engaged in sector partnerships.



Report of the Trustees and Strategic Report For the year ended 31 March 2021

Due to lockdown restrictions Sacro's annual lecture did not take place in 2020/21 but we have every intention to reinstate this and other activities as soon as it is safe to do so. We are currently re-developing our brand identity to reflect the current work and ethos of Sacro and to take us in to the future.

Plans for the future

By the end of March, we had developed the key goals for our new strategy:

- Putting service users at the heart of everything we do
- Designing our services in partnership with people
- Supporting individual journeys and wellbeing
- Supporting and helping to keep communities safe

People are at the centre of our strategy: the people we work with and the people who work for us. Our new structure recognises the work that our teams are involved and the breadth of our activities, from justice and community services to public protection and community safety, to housing support and care in communities.

We will lead nationally on these areas of work and be a strong voice for the issues that matter to those we work with but deliver very locally working with individuals and communities. We want to offer our expertise to the sector and to Scottish Government, to support the development of innovation and best practice.

We are determined to keep making a lasting difference and our four goals will guide us for the next five years.

Monitoring achievement

Achievement is monitored by the Board and its Finance & HR and professional standards sub-committees on a regular basis. The remit of the Finance & HR committee encompasses the monitoring of financial and HR performance, including the review of all financial statements. The Professional Standards 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 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) is a deficit of £50,146 for the year compared to a deficit of £126,610 in the year to 31 March 2020. These figures do not include the actuarial loss/ gain on the retirement benefit scheme which was a gain of £79,000 (2020: gain of £428,000). After taking account of the actuarial gain for the year the charity has made an overall surplus of £28,854 (2020 surplus of £301,390).

The Balance Sheet shows a net asset position of £8,496,063 (2020: £8,467,209)



Report of the Trustees and Strategic Report For the year ended 31 March 2021

The financial environment in which Sacro operates remains challenging, and the organisation continues to adapt to its changing circumstances. Sacro has undergone a significant period of transformation over the past three financial years, designed to increase competitiveness and enable services to demonstrate their effectiveness against clearly defined performance criteria linked to outcomes. The 2020/21 financial year presents ongoing challenges to Sacro, but the actions taken during previous years ensure Sacro is well placed to respond.

Risk management

The Board approved a review conducted by the Standards Committee of the major risks of which Sacro is aware and of the systems in place to mitigate those risks. 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 Standards Committee meeting.

The Corporate Risk Action Plan groups risks into twelve themes; asset management, business, change management, compliance, costs/income, data protection, disaster management, financial management, governance, harm, reputation/relationships, and people. The principal risks are reviewed and monitored monthly and an annual review of all major risks, and the systems and procedures in place to deal with those risks, is undertaken by the Board.

The principal risks relate to the reduction/lack of uplift in service funding and the impact of further contraction on Sacro's national infrastructure. The risks are mitigated through continued dialogue with funders and commissioners of Sacro services and by demonstrating the value of services through performance management.

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 2021 amount to £1,102,228 (2020: £943,540) which comprises funds held in respect of services/projects which continue beyond the balance sheet date.

Unrestricted reserves excluding fixed and pension assets at 31 March 2021 amounted to £3,354,215 (2020: £3,502,049). This includes provision for financial commitments including service implementation and decommissioning, investment in infrastructure to ensure efficiency and effectiveness, and approximately six 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.



Report of the Trustees and Strategic Report For the year ended 31 March 2021

Key management personnel remuneration

Sacro's Executive Team comprises the Chief Executive, Director of Corporate Services and Director of Operations.

Contributions are made to the defined benefit pension scheme for none of the members (2020: 1). The total staff costs for the 3 members (2020: 4) of ET is analysed as:

	2021	2020
	£	£
Salaries and wages	197,534	226,608
Social security costs	24,404	27,628
Pension – Defined benefit (Strathclyde Pension Fund)	-	3,793
Pension – Defined contribution (Aegon)	6,528	212
	<u>228,466</u>	<u>258,241</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 which is new in the year. 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.

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 2021. The pension fund asset for the year ended 31 March 2021 is £3,693,000 (2020: £3,675,000).

Donations in kind

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

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

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



Report of the Trustees and Strategic Report For the year ended 31 March 2021

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.

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.

Plans for the future

2020/21 has been a year of mixed fortunes with the loss of some long-standing services but it is encouraging to have attracted new services and retained many existing ones in the face of strong competition. The learning process and evaluation of what has led to success and failure will be incorporated into Sacro's business development and improvement strategies.

Sacro will continue to diversify its funding streams where possible, particularly where opportunities exist to develop new and innovative approaches to our work and service users. We will be mindful of mission drift, and ensure that we not only focus on services that play to our core strengths and expertise but that where we develop new or re-developing existing services to meet changing priorities we bear in mind the need to equip our teams for the roles with excellent development and to work in partnership where possible.

Covid-19 lockdown restrictions has required Sacro to adapt the ways in which it supports service users. It is extremely encouraging that despite the challenges that 'lockdown' restrictions have presented Sacro has continued to support individuals across Scotland by embracing a variety of new technologies.

A full analysis of the short, medium and long term impacts of the Covid-19 pandemic on the organisation and its operating environment is continuously reviewed in order to provide vital context for planning for the future and realistic forecasting. Many local authorities and other funding bodies will see a reduction in available resources and Sacro must plan for this inevitability.



**Report of the Trustees and Strategic Report
For the year ended 31 March 2021**

2021 sees the fiftieth anniversary of the establishment of the charity and this provides an opportunity to celebrate, reflect and look forward. Many people still need Sacro's services and we believe we are a vital part of community justice services in Scotland. We will be developing our new strategic plan that builds on the achievements of the past and confirms our direction, mission and vision for the future. This process will engage all of the Sacro 'family' from Board, management and leaders to all workers, volunteers and service users.

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 25/08/21

A handwritten signature in black ink, appearing to read 'James Crichton', written over a horizontal line.

James Crichton
Chair



Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2021

Opinion

We have audited the financial statements of Sacro (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, balance sheet, the statement of cash flow and related 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 31 March 2021, 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 going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the financial statements and the trustees annual report, other than the financial statements and trustees report thereon. The trustees are responsible for the other information contained within 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2021**

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, which includes the Directors Report and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Strategic Report or the Directors Report included within the Report of the Trustees. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or 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 7 and 8, 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.

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



**Independent auditor's report to the members and Trustees of Sacro
For the year ended 31 March 2021**

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 risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, responding appropriately to fraud or suspected fraud identified during the audit process. This includes obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The primary responsibility however for the prevention and detection of fraud rests with those charged with governance and executive management of the entity.

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

- The nature of the charitable company, 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 risks 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

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; and
- Management bias in accounting estimates

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:
timing of recognition of income;

- posting of unusual journals;
- management override of internal controls.



Independent auditor's report to the members and Trustees of Sacro

For the year ended 31 March 2021

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;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether judgements made in making accounting estimates are indicative of a potential bias; and, 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wylie + Bisset (Audit) Limited

Jenny Simpson

Senior Statutory Auditor

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

168 Bath Street

Glasgow

G2 4TP

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

Date: 25/08/21



Statement of financial activities
(Including an Income and Expenditure account)
For the year ended 31 March 2021

	<i>Note</i>	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Income from:							
Donations	4	-	21,971	21,971	-	25,970	25,970
Voluntary income	5	-	451,286	451,286	-	451,286	451,286
Investment income	6	-	10,836	10,836	-	27,724	27,724
Other income	18	-	88,000	88,000	-	84,000	84,000
		-	572,093	572,093	-	588,980	588,980
Income from charitable activities							
Youth Justice	7	218,447	503,685	722,132	285,271	525,549	810,820
Criminal Justice	7	1,872,765	3,729,183	5,601,948	2,091,192	3,537,555	5,628,747
Community Mediation	7	716,765	222,615	939,380	610,155	80,236	690,391
		2,807,977	4,455,483	7,263,460	2,986,618	4,143,340	7,129,958
Total income		2,807,977	5,027,576	7,835,553	2,986,618	4,732,320	7,718,938
Expenditure on:							
Youth Justice	8	201,585	447,270	648,855	263,432	495,059	758,491
Criminal Justice	8	1,855,894	4,554,346	6,410,240	2,106,833	4,391,007	6,497,840
Community Mediation	8	606,195	220,409	826,604	507,461	81,756	589,217
Total expenditure		2,663,674	5,222,025	7,885,699	2,877,726	4,967,822	7,845,548
Net income/(expenditure)		144,303	(194,449)	(50,146)	108,892	(235,502)	(126,610)
Net transfers between funds	16	14,385	(14,385)	-	(143,103)	143,103	-
Movement in pension asset arising from re- measurements		-	79,000	79,000	-	428,000	428,000
Net movement in funds		158,688	(129,834)	28,854	(34,211)	335,601	301,390
Total funds brought forward		943,540	7,523,669	8,467,209	977,751	7,188,068	8,165,819
Total funds carried forward		1,102,228	7,393,835	8,496,063	943,540	7,523,669	8,467,209

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



Balance sheet
As at 31 March 2021

	Notes	2021	2020
		£	£
Fixed assets			
Tangible assets	12	<u>345,852</u>	<u>343,370</u>
Current assets			
Debtors	13	851,278	1,240,787
Cash at bank and in hand		<u>4,261,910</u>	<u>3,915,114</u>
		5,113,188	5,155,901
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(655,977)</u>	<u>(707,062)</u>
Net current assets		4,457,211	4,448,839
Net assets excluding pension scheme asset		4,803,063	4,792,209
Defined benefit pension scheme asset	18	3,693,000	3,675,000
Net assets		<u>8,496,063</u>	<u>8,467,209</u>
Reserves			
Unrestricted funds			
General funds	16	3,354,215	3,502,049
Designated funds	16	<u>346,620</u>	<u>346,620</u>
Total unrestricted funds excluding pension reserve		3,700,835	3,848,669
Pension reserve	16	3,693,000	3,675,000
Total unrestricted funds including pension reserve		<u>7,393,835</u>	<u>7,523,669</u>
Restricted funds	16	1,102,228	943,540
Total funds		<u>8,496,063</u>	<u>8,467,209</u>

The financial statements were authorised for issue by the Board on 25/08/21 and signed on its behalf by:

James Crichton

Chair

Sacro – Registration Number SC086651

The notes on pages 16 to 28 form part of these financial statements.



Statement of cash flow
For the year ended 31 March 2021

	<i>Note</i>	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	a)	457,158	(501,016)
Cash flows from investing activities			
Investment income		10,836	27,724
Purchase of fixed asset additions		(121,198)	(341,531)
Net cash used by investing activities		<u>(110,362)</u>	<u>(313,807)</u>
Change in cash and cash equivalents in the year		346,796	(814,823)
Cash and cash equivalents brought forward		3,915,114	4,729,937
Cash and cash equivalents carried forward		<u>4,261,910</u>	<u>3,915,114</u>
Note to the cash flow statement		2021 £	2020 £
a) Reconciliation of operating deficit to net cash outflow from operating activities			
Operating deficit		(50,146)	(126,610)
Depreciation charge		118,716	31,816
Decrease(increase) in debtors		389,509	(283,508)
Increase/(decrease) in creditors		(51,085)	(176,990)
Pension fund adjustment (FRS 102)		61,000	82,000
Investment income		(10,836)	(27,724)
Net cash used by operating activities		<u>457,158</u>	<u>(501,016)</u>

The notes on pages 16 to 28 form part of these financial statements



Notes to the financial statements
For the year ended 31 March 2021

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.

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.



Notes to the financial statements
For the year ended 31 March 2021

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.

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.



Notes to the financial statements
For the year ended 31 March 2021

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:

IT systems - 25% straight line

Fixtures, fittings & equipment - 25% 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.

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.

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.



Notes to the financial statements
For the year ended 31 March 2021

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 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.

Allocation of expenditure between activities

Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.

Depreciation

Fixed assets are depreciated over the useful life of assets. The useful life of the fixed assets are based on the knowledge of senior management, with reference to the assets expected useful life.

Bad debt provision

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of debtors, management considers factors including credit rating of the customer, previous payment patterns and ageing of the debt.

Pension Liability

The determination of any pension scheme surplus or deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. These assumptions will vary from year to year, as will the value of assets, and will be dependent on circumstances at the date of valuation.

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 2021

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 (2020: £nil). No Trustee expenses were paid in the year (2020: £nil).

During the year no Trustee had any personal interest in a contract or transaction entered into by the charity (2020: nil). The total expenses waived by the Trustees in 2021 were £nil (2020: £690).

4. Income from donations and legacies

	2021	2020
	£	£
Donations	21,971	25,970

5. Voluntary income

	2021	2020
	£	£
Scottish Government Section 10 Grant	451,286	451,286

6. Investment income

	2021	2020
	£	£
Interest on cash deposits	10,836	27,724

7. Income from charitable activities

	Youth Justice £	Criminal Justice £	Community Mediation £	2021 £
Local authorities	644,537	4,820,441	464,997	5,929,975
Scottish Government	-	678,120	439,413	1,117,533
Rent, service charges	77,595	74,164	-	151,759
Other income	-	29,223	34,970	64,193
	722,132	5,601,948	939,380	7,263,460

	Youth Justice £	Criminal Justice £	Community Mediation £	2020 £
Local authorities	725,254	4,831,351	293,399	5,850,004
Scottish Government	-	653,646	371,937	1,025,583
Rent, service charges	84,433	90,438	-	174,871
Other income	1,133	53,312	25,055	79,500
	810,820	5,628,747	690,391	7,129,958



Notes to the financial statements
For the year ended 31 March 2021

Scottish Government income from charitable activities (as above)

	2021	2020
	£	£
Shine PSP Grant	456,000	452,747
Scottish Government Tackling Sectarianism Programme	75,000	65,000
Equality Fund	227,845	196,084
Tampon Tax Fund	358,688	311,752
	<u>1,117,533</u>	<u>1,025,583</u>

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

8. Analysis of expenditure on charitable activities

	Youth Justice	Criminal Justice	Community Mediation	2021
	£	£	£	£
Direct costs	648,855	6,249,780	826,604	7,725,239
Governance costs (note 9)	-	11,460	-	11,460
Pension movement	-	149,000	-	149,000
	<u>648,855</u>	<u>6,410,240</u>	<u>826,604</u>	<u>7,885,699</u>

	Youth Justice	Criminal Justice	Community Mediation	2020
	£	£	£	£
Direct costs	758,491	6,312,155	589,217	7,659,863
Governance costs (note 9)	-	19,685	-	19,685
Pension movement	-	166,000	-	166,000
	<u>758,491</u>	<u>6,497,840</u>	<u>589,217</u>	<u>7,845,548</u>

The FRS 102 pension adjustment of £149,000 (2020: £166,000) has been applied to Criminal Justice unrestricted expenditure £4,554,346 (2020: £4,391,007) on the statement of financial activities (page 13). The actual figure before the pension adjustment would be £4,405,346 (2020: £4,225,007).

9. Governance costs

	2021	2020
	£	£
Auditor remuneration	11,460	10,914
Cost of meetings	-	8,771
	<u>11,460</u>	<u>19,685</u>

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



Notes to the financial statements
For the year ended 31 March 2021

10. Total resources expended are stated after charging:

	2021	2020
	£	£
Auditor remuneration – external audit	11,460	10,914
Depreciation	118,716	31,816
Operating lease rentals – land and buildings	219,441	241,795
Operating lease rentals - equipment	4,419	7,533
	<u>354,036</u>	<u>292,058</u>

11. Analysis of staff costs

	2021	2020
	£	£
Salaries and wages	5,537,397	5,467,594
Social security costs	456,335	419,859
Pension – Defined benefit (Strathclyde Pension Fund)	116,659	115,822
Pension – Defined contribution (Aegon)	248,654	190,540
Pension – Defined contribution (People's Pension)	8,848	10,081
	<u>6,367,893</u>	<u>6,203,896</u>

2 (2020: 3) employees received emoluments of more than £60,000 during the year.

	2021	2020
	No	No
£60,000 - £70,000	1	2
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1

Key Management Personnel Remuneration:

	2021	2020
	£	£
Salaries and wages	197,534	226,608
Social security costs	24,404	27,628
Pension – Defined benefit (Strathclyde Pension Fund)	-	3,793
Pension – Defined contribution (Aegon)	6,528	212
	<u>228,466</u>	<u>258,241</u>

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

	2021	2020
Nature of payment	£	£
Redundancy payments	14,795	3,873

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

	2021	2020
	Number	Number
Employees	280	258



Notes to the financial statements
For the year ended 31 March 2021

12. Tangible fixed assets

	IT system £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2020	218,365	162,956	381,321
Additions	18,000	103,198	121,198
At 31 March 2021	236,365	266,154	502,519
Depreciation			
At 1 April 2020	8,994	28,957	37,951
Charge for the year	58,440	60,276	118,716
At 31 March 2021	67,434	89,233	156,667
Net book value			
At 31 March 2021	168,931	176,921	345,852
At 31 March 2020	209,371	133,999	343,370

13. Debtors

	2021 £	2020 £
Grants due from local authorities & Scottish Government	304,436	957,746
Sundry debtors and prepayments	108,150	106,155
Accrued Income	438,692	176,886
	851,278	1,240,787

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Deferred income (see below)	40,208	84,750
Trade creditors	145,460	167,414
Sundry creditors	167,043	148,096
Accruals	102,355	153,710
Funds held as custodian	200,911	153,092
	655,977	707,062

Deferred income

	2021 £
Balance as at 1 April 2020	84,750
Amount released to income earned from charitable activities	(84,750)
Amount deferred in year	40,208
Balance as at 31 March 2021	40,208

Deferred income comprises service funding relating to 2021/22.

Notes to the financial statements

For the year ended 31 March 2021

15. Analysis of net assets between funds

	Tangible fixed assets £	Debtors £	Cash £	Current liabilities £	Pension scheme £	Total 2021 £
Restricted funds	-	-	1,269,271	(167,043)	-	1,102,228
Unrestricted funds	345,852	851,278	2,992,639	(488,934)	3,693,000	7,393,835
	345,852	851,278	4,261,910	(655,977)	3,693,000	8,496,063

	Tangible fixed assets £	Debtors £	Cash £	Current liabilities £	Pension scheme £	Total 2020 £
Restricted funds	-	-	1,096,632	(153,092)	-	943,540
Unrestricted funds	343,370	1,240,787	2,818,482	(553,970)	3,675,000	7,523,669
	343,370	1,240,787	3,915,114	(707,062)	3,675,000	8,467,209

16. Analysis of charitable funds

Analysis of fund movements	Balance b/fwd 2020 £	Income £	Expenses £	Transfers £	Gains/ (Losses) £	Fund c/fwd 2021 £
Unrestricted funds						
Staff training	136,839	-	-	-	-	136,839
Growth fund	209,781	-	-	-	-	209,781
Total designated funds	346,620	-	-	-	-	346,620
General funds	3,502,049	4,939,576	(5,073,025)	(14,385)	-	3,354,215
Total unrestricted funds excluding pension reserve	3,848,669	4,939,576	(5,073,025)	(14,385)	-	3,700,835
Pension fund						
Pension fund	3,675,000	88,000	(149,000)	-	79,000	3,693,000
Total unrestricted funds including pension reserve	7,523,669	5,027,576	(5,222,025)	(14,385)	79,000	7,393,835
Restricted fund						
Youth Justice	122,260	218,447	(201,585)	-	-	139,122
Criminal Justice	225,738	1,872,765	(1,776,422)	24,390	-	346,471
Community Mediation	189,980	716,765	(606,195)	(10,005)	-	290,545
IT reserve	104,732	-	(79,472)	-	-	25,260
Property reserve	300,830	-	-	-	-	300,830
Total restricted funds	943,540	2,807,977	(2,663,674)	14,385	-	1,102,228
TOTAL FUNDS	8,467,209	7,835,553	(7,885,699)	-	79,000	8,496,063



Notes to the financial statements
For the year ended 31 March 2021

Analysis of Fund movements	Balance b/fwd 2019 £	Income £	Expenses £	Transfers £	Gains/ (Losses) £	Fund c/fwd 2020 £
Unrestricted funds						
Staff training	136,839	-	-	-	-	136,839
Growth fund	209,781	-	-	-	-	209,781
Total designated funds	346,620	-	-	-	-	346,620
General funds	3,512,448	4,648,320	(4,801,822)	143,103	-	3,502,049
Total unrestricted funds excluding pension reserve	3,859,068	4,648,320	(4,801,822)	143,103	-	3,848,669
Pension fund						
Pension fund	3,329,000	84,000	(166,000)	-	428,000	3,675,000
Total unrestricted funds including pension reserve	7,188,068	4,732,320	(4,967,822)	143,103	428,000	7,523,669
Restricted fund						
Youth Justice	141,878	285,270	(263,433)	(41,455)	-	122,260
Criminal Justice	223,368	2,091,193	(2,074,515)	(14,308)	-	225,738
Community Mediation	87,285	610,155	(507,460)	-	-	189,980
IT reserve	137,050	-	(32,318)	-	-	104,732
Property reserve	388,170	-	-	(87,340)	-	300,830
Total restricted funds	977,751	2,986,618	(2,877,726)	(143,103)	-	943,540
TOTAL FUNDS	8,165,819	7,718,938	(7,845,548)	-	428,000	8,467,209

- 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.
- c) Restricted funds have been received specifically to support work within:
- Youth Justice
 - Criminal Justice and
 - Community Mediation.

These funds are held as restricted and accounted for separately. The restrictions imposed relate to the running of services specifically related to Youth Justice, Criminal Justice and



Notes to the financial statements

For the year ended 31 March 2021

16. Analysis of charitable funds (continued)

Community Mediation purposes. Such funds cannot be used to support the general work of Sacro.

In addition funds were received to specifically support future investment in IT equipment and to cover the development of leased properties.

17. Operating lease commitments

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

	Land & buildings £	Equipment £	2021 £	2020 £
On leases expiring –				
Within 1 year	151,401	8,229	159,630	193,591
Between 2 and 5 years	427,263	-	427,263	409,087
More than 5 years	169,167	-	169,167	243,382
	<u>747,831</u>	<u>8,229</u>	<u>756,060</u>	<u>846,061</u>

18. Pension costs

Sacro is a member of The Strathclyde Pension Fund, a defined benefit scheme. During the year ended 31 March 2021 contributions were set at 17.60% (2020: 17.60%). The charge for the year was £116,659 (2020: £115,822) as stated in note 11.

The most recent valuation of the pension scheme was as at 31 March 2021 using the Projected Unit Method. The major assumptions used by the actuary were:

Assumptions	2021 % p.a.	2020 % p.a.
Pension increases	2.75	1.90
Salary increases	1.00	2.00
Discount rate	2.05	2.45
Net pension asset	2021	2020
	£	£
Estimated employer assets	37,568,000	30,555,000
Present value of scheme liabilities	(33,849,000)	(26,852,000)
Present value of unfunded liabilities	(26,000)	(28,000)
	<u>(33,875,000)</u>	<u>(26,880,000)</u>
	<u>3,693,000</u>	<u>3,675,000</u>



Notes to the financial statements
For the year ended 31 March 2021

	2021	2020
	£	£
Analysis of the amount charged to net incoming resources		
Current service cost	238,000	295,000
Past service cost	32,000	6,000
	<u>270,000</u>	<u>301,000</u>
Analysis of amount credited to other finance income		
	£	£
Interest income on pension plan assets	742,000	834,000
Interest cost on defined benefit obligation	(654,000)	(750,000)
	<u>88,000</u>	<u>84,000</u>
Total re-measurements recognised in the statement of financial activities	£	£
Changes in demographic assumptions	204,000	1,069,000
Changes in financial assumptions	(7,046,000)	1,392,000
Other experience re-measurements	60,000	162,000
Return on net assets excluding amounts included in net interest	6,861,000	(2,195,000)
	<u>79,000</u>	<u>428,000</u>
Movement in surplus/(deficit) during the year	£	£
Surplus at beginning of the year	3,675,000	3,329,000
Current service cost	(238,000)	(295,000)
Past service cost (including curtailments)	(32,000)	(6,000)
Employer contributions	117,000	131,000
Contributions in respect of unfunded benefits	4,000	4,000
Total net interest	88,000	84,000
Total re-measurements recognised in the statement of financial activities (page 14)	79,000	428,000
	<u>3,693,000</u>	<u>3,675,000</u>

19. FRS 102 pension adjustment

The pension as at 31 March 2021 is reported as an asset of £3,693,000 (2020: £3,675,000).

This is due to favourable actuarial assumptions at 31 March 2021 in comparison to the previous year. These factors serve to increase the value of the pension fund reported in Sacro's balance sheet (page 14). The actuarial gain for the year is £79,000 (2020: 428,000).



Notes to the financial statements
For the year ended 31 March 2021

19. FRS 102 pension adjustment (continued)

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

	2021 £	2020 £
Incoming resources		
<i>(Contributions by members less interest on pension liabilities)</i>	88,000	84,000
Outgoing resources		
<i>(Current service cost less contributions for unfunded benefits)</i>	<u>(149,000)</u>	<u>(166,000)</u>
	<u>(61,000)</u>	<u>(82,000)</u>