



Directors' Report and Financial Statements
for the year ended 31 March 1999

Safeguarding Communities – Reducing Offending

SACRO is a company limited by guarantee and is recognised as a charity by the Inland Revenue

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Directors' Report and Financial Statements

for the year ended 31 March 1999

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Directors

Dr David Colvin CBE (Chair)

Dr John Baird

Mrs Elizabeth Forsyth (appointed June 98)

Mr George Irving (appointed Dec 98)

Professor Gill McIvor (appointed Oct 98)

Mr Robert Mackay

Ms Mary Munro (appointed Oct 98)

Mr Felim O'Leary

Mr Gordon Rae (resigned June 98)

Professor David Smith

Mrs Catriona Scrimgeour (appointed Dec 98)

Ms Khushi Usmani (appointed Dec 98)

Mr Eric Murch (appointed Dec 98)

Observers

Ms Alison Paterson, VSS

Mr Brian Fearon, ADSW (appointed June 98)

Mrs Valerie Macniven, SWSG

Mr Don Millar, BASW

Mr Graeme Pearson, ACPOS

Secretary

Susan Matheson

Auditors

Scott-Moncrieff

Chartered Accountants

17 Melville Street

Edinburgh

EH3 7PH

Solicitors

Shepherd & Wedderburn

Saltire Court

20 Castle Terrace

Edinburgh

Bankers

Bank of Scotland

52 Shandwick Place

Edinburgh

EH2 4SB

Registered Office

31 Palmerston Place

Edinburgh

EH12 5AP

Registered in Scotland - number 86651

Charity number SCO16293



Directors' Report and Financial Statements for the year ended 31 March 1999

The Directors submit their annual report and audited financial statements for the year ended 31 March 1999.

Constitution

SACRO, Safeguarding Communities – Reducing Offending, is a company limited by guarantee. The management of the Company is the responsibility of a Board of Directors, who are elected under the terms of the Memorandum and Articles of Association.

Objectives

SACRO's mission is to make communities safer by providing a range of effective services throughout Scotland to reduce conflict and offending, and by influencing criminal justice and social policy.

From its Strategic Plan, SACRO's key objectives are to deliver and develop high quality services; to influence criminal justice and social policy and to provide effective leadership and support to staff and volunteers.

There have been a number of changes at Board of Director level and the Board is now chaired by Dr David Colvin CBE. The Board delegates day-to-day management to the Chief Executive, Susan Matheson. A new Executive Committee has been established to take decisions in respect of issues which must be resolved prior to the next Board meeting and there is a new Criminal Justice and Social Policy Committee. The staff in National Office have been restructured and there are now two Senior Managers with responsibility for operations and policy and two new posts of Staff Development and Human Resources Manager and Communications Officer.

Activities

The National Office in Edinburgh provides support and services to members and to SACRO's local offices which manage services in the following areas: community mediation; work with young people; mediation and reparation, community supervision – bail services; personal change programmes – intensive probation; domestic violence; young sex offenders; alcohol education; supported accommodation; throughcare; and intensive monitoring and support of high risk offenders in the community.



Directors' Report and Financial Statements for the year ended 31 March 1999

Financial Information

The surplus on ordinary activities for the year amounted to £3,272 [1998: surplus £186,792], of which £8,078 arises on restricted funds and a deficit of £4,806 arises on unrestricted funds. The Directors confirm that the accounts comply with the current statutory requirements and the requirements of SACRO's Memorandum and Articles of Association.

SACRO has annual financial commitments of £81,717 in respect of the rental of nine offices and nine photocopiers. The Directors confirm that on a fund by fund basis SACRO's assets are adequate to fulfil SACRO's obligations.

Donations in kind

SACRO appreciates the support of its 120 volunteers, who are involved in the following activities:

- Mediation
- Typing/reception
- Car driving
- Prison visiting transport
- Prisoner befriending
- Families of prisoner befriending
- Activities in the Throughcare service

Taxation

SACRO has been awarded charitable status under Section 505 of the Income and Corporation Taxes Act 1988, as amended, and Section 256 of the Capital Gains Tax Act 1994, as amended, and as such is exempt from tax.

Connected Charity

On 10 October 1994, the Board of Directors approved a Trust Deed setting up the SACRO Trust. The Trustees comprise one member of the Board of Directors, as well as people independent of the Board of Directors. The Chief Executive of SACRO, as Company Secretary, administers the Trust funds. The affairs of the SACRO Trust are audited separately from those of the Company. The contact address is the same as the registered office of SACRO.



**Directors' Report and Financial Statements
for the year ended 31 March 1999**

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of SACRO's state of affairs and of the surplus or deficit of SACRO for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that SACRO will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of SACRO and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding SACRO's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000

The directors are continuing to review the risks associated with the Year 2000 problem, both with regard to internal use of computer systems and embedded chips and in connection with relationships with third parties. They are satisfied that these steps will be completed in sufficient time to eliminate any potential problems.

The total costs of ensuring Year 2000 Compliance are not expected to be significant.

Auditors

Scott-Moncrieff Downie Wilson changed their name to Scott-Moncrieff on 1 March 1999.

A resolution to re-appoint Scott-Moncrieff Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

By order of the Board of Directors

3 Sept... 1999

**David Colvin
Chairman**



**Auditors' Report to the Members
for the year ended 31 March 1999**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3, SACRO's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of financial statements, and of whether the accounting policies are appropriate to SACRO's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of SACRO's affairs as at 31 March 1999 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

SCOTT-MONCRIEFF
Chartered Accountants
Registered Auditor
17 Melville Street
Edinburgh EH3 7PH

3rd Sept 1999



**Income and Expenditure Account
and Statement of Financial Activities
for the year ended 31 March 1999**

	Note	Restricted Funds £	Unrestricted Funds £	Total funds 1999 £	Total funds 1998 £
Income and expenditure					
Incoming resources					
Donations and gifts		12,000	4,929	16,929	20,673
Local Authority Grants and Contracts	2,4	1,100	2,148,003	2,149,103	2,206,498
Other Grants	4	14,735	-	14,735	-
Rent		-	101,626	101,626	88,603
Other income	3	447	45,976	46,423	72,442
Bank Interest		-	38,545	38,545	37,617
Total incoming resources		<u>28,282</u>	<u>2,339,079</u>	<u>2,367,361</u>	<u>2,425,833</u>
Resources expended	5				
Direct charitable expenditure		20,204	2,248,127	2,268,331	2,147,164
Fund-raising and publicity		-	7,085	7,085	10,500
Management and administration of SACRO		-	88,673	88,673	81,377
Total resources expended		<u>20,204</u>	<u>2,343,885</u>	<u>2,364,089</u>	<u>2,239,041</u>
Net movement in Funds		8,078	(4,806)	3,272	186,792
Transfers between funds		(908)	908	-	-
Balances brought forward at 1 April 1998		28,258	610,352	638,610	451,818
Balances carried forward at 31 March 1999		<u>35,428</u>	<u>606,454</u>	<u>641,882</u>	<u>638,610</u>

All the results of SACRO relate to continuing operations. SACRO has no recognised gains or losses other than those included above. There is no difference between the surplus for the year stated above and its historical cost equivalent.

The notes on pages 7 to 11 form part of these financial statements



Balance Sheet
for the year ended 31 March 1999

	Notes	1999 £	1998 £
Current assets			
Debtors	7	48,140	121,483
Cash at bank and in hand		<u>720,376</u>	<u>665,951</u>
		768,516	787,434
Current liabilities			
Creditors: Amounts falling due within one year	8	(126,634)	(148,824)
Net assets		<u>641,882</u>	<u>638,610</u>
Reserves			
Unrestricted Funds:	9		
Designated Funds		405,754	406,999
General reserve		<u>200,700</u>	<u>203,353</u>
		606,454	610,352
Restricted Funds	10	35,428	28,258
		<u>641,882</u>	<u>638,610</u>

The financial statements were approved by the Directors on 3 Sept. 1999.

 Chairman
 David Colvin

The notes on pages 7 to 11 form part of these financial statements



Notes to the Financial Statements for the year ended 31 March 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable Accounting Standards and the Statement of Recommended Practice - Accounting By Charities.

Cash Flow statement

The Company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No 1.

Grant income

Grant income is credited in the year to which it relates.

Donations

Donations are credited in the year in which they are received.

Pensions

During the year, payments were made to a defined contribution scheme Strathclyde Pension Fund, and also to a personal pension plan. The cost of pension contributions is charged to the income and expenditure account in the year to which it relates.

VAT

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

Analysis of Expenditure

Expenditure is allocated directly to the activity to which it relates. Where this is not possible, it is allocated on the basis of the time spent by staff on each activity.

Definition of Funds

Unrestricted funds comprise: designated funds, which have been set aside by the Directors to fund specific future projects in the furtherance of SACRO's objectives; regional funds, which are the surpluses and deficits relating to local projects; and the general reserve. Restricted funds are subject to specific restrictions imposed by the donors.



**Notes to the Financial Statements - continued
for the year ended 31 March 1999**

2 Grants received and receivable	1999	1998
	£	£
Social Work Services Group	247,512	254,012
Local authorities	1,890,741	1,952,486
Others	25,585	-
	<u>2,163,838</u>	<u>2,206,498</u>
 3 Other material income	 1999	 1998
	£	£
Travel service	19,066	16,336
Assisted Prison Visit Unit (APVU)	4,695	3,063
Hire of halls	6,321	8,532
Conference fees received	-	8,870
Training fees received	3,258	17,745
Miscellaneous	13,083	12,984
Lottery funding	-	4,912
	<u>46,423</u>	<u>72,442</u>
 4 Deferred Income	 1999	 1998
	£	£
Gross grants received in 1998/99	2,122,068	2,177,436
Deferred income brought forward 1997/98	44,143	73,205
Deferred income carried forward 1999/2000	(2,373)	(44,143)
	<u>2,163,838</u>	<u>2,206,498</u>

5 Analysis of Expenditure

	Direct Charitable Expenditure	Fund- raising & Publicity	Management and Administration	Total 1999	Total 1998
	£	£	£	£	£
Payroll costs (see note 6)	1,522,418	-	56,126	1,578,544	1,515,669
Other staff costs	145,966	-	8,785	154,751	176,665
Operating leases	138,649	-	5,703	144,352	144,705
Other Property costs	101,008	-	3,297	104,305	87,616
Auditor's remuneration-audit fee	-	-	4,325	4,325	4,201
payroll services	4,389	-	1,463	5,852	5,975
Other	2,257	-	753	3,010	3,381
Other administration costs	218,416	7,085	8,221	233,722	156,315
Tenancies supplies and services	135,228	-	-	135,228	144,508
	<u>2,268,331</u>	<u>7,085</u>	<u>88,673</u>	<u>2,364,089</u>	<u>2,239,041</u>



**Notes to the Financial Statements - continued
for the year ended 31 March 1999**

6 Analysis of staff costs	1999	1998
	£	£
Salaries	1,388,038	1,364,980
Social Security	120,531	107,998
Pension	69,975	42,691
	<u>1,578,544</u>	<u>1,515,669</u>
No Director received remuneration in either year.		
	1999	1998
The average monthly number of employees during the year was:	80	76
7 Debtors	1999	1998
	£	£
Grants due from local authorities	47,176	111,848
Sundry debtors and prepayments	964	9,635
	<u>48,140</u>	<u>121,483</u>
8 Creditors: Amounts falling due within one year	1999	1998
	£	£
Grants and donations received in advance	2,373	44,143
Sundry creditors	13,849	15,304
SACRO Trust	-	58
Social security and other taxes	36,779	32,987
Superannuation	11,353	7,263
Accruals	62,280	49,069
	<u>126,634</u>	<u>148,824</u>



**Notes to the Financial Statements - continued
for the year ended 31 March 1999**

9 Unrestricted Funds

	Balance 1.4.98	Movements in Funds		Balance 31.3.99
	£	Incoming Resources £	Expenditure & Transfers £	£
Designated Funds:				
Training fund	30,125	35,864	(41,716)	24,273
IT strategy	39,912	-	(31,729)	8,183
Edinburgh Bail retainer	4,812	-	(356)	4,456
Edinburgh Accom cyclical prov	10,045	-	(1,989)	8,056
Aberdeen office costs	13,275	-	(1,312)	11,963
National Office property ext.	8,818	-	(5,250)	3,568
Fife computer	2,252	-	(2,183)	69
SLS Insurance	2,500	-	-	2,500
Fife Accom cyclical prov	1,517	-	-	1,517
Local Service funds	<u>293,743</u>	<u>2,468,050</u>	<u>(2,420,624)</u>	<u>341,169</u>
	406,999	2,503,914	(2,505,159)	405,754
 General Reserve	 203,353	 285	 (2,938)	 200,700
	<u>610,352</u>	<u>2,504,199</u>	<u>(2,508,097)</u>	<u>606,454</u>

Designated funds have been set aside by the Directors to fund specific activities in the future. Local service funds are the total retained surpluses of these services.

The Company's reserves policy has identified a requirement for good governance to hold reserves of £591,000. This requirement is met out of the General Reserve and Local Service funds as appropriate.

10 Restricted Funds	Balance at 1.4.98	Incoming Resources	Resources Expended & transfers	Balance at 31.3.99
Esmée Fairbairn Computer Fund	7,500	-	(7,500)	-
Glasgow Families Programme	19,758	-	(317)	19,441
Tudor Trust	-	12,000	-	12,000
ECM William Thyne	-	12,000	-	12,000
NLCB Orkney Crop project	-	12,782	(13,295)	(513)
Fife Marks & Spencer	-	3,500	-	3,500
	<u>28,258</u>	<u>28,282</u>	<u>21,112</u>	<u>35,428</u>

Sufficient funds are held in an appropriate form to enable each fund to be applied in accordance with the restrictions.



**Notes to the Financial Statements - continued
for the year ended 31 March 1999**

11 Operating Lease Commitments

The annual commitments on non-cancellable operating leases are £81,717, expiring as follows:

	Land & Buildings £	Others £	Total £
Within 1 year	16,125	550	29,721
Between 2 and 5 years	<u>39,500</u>	<u>12,496</u>	<u>51,996</u>
	<u>55,625</u>	<u>13,046</u>	<u>81,717</u>