



Company number: 11171831

Syncora Limited

Report and Consolidated Financial Statements

Year ended 31 March 2024

Syncora Limited
Company number: 11171831



Contents

Board Members, Executive Officers, Advisors and Bankers	1
Report of the Board	2
Strategic Report	8
Independent Auditor's Report to the Members of Syncora Limited.....	11
Consolidated Statement of Comprehensive Income.....	13
Consolidated Statement of Financial Position.....	14
Statement of Financial Position – Syncora Limited.....	15
Consolidated Statement of Changes in Reserve.....	16
Consolidated Statement of Cash Flows.....	17
Notes to the Consolidated Financial Statements.....	18

Syncora Limited

Company number: 11171831



Board Members, Executive Officers, Advisors and Bankers

Board

Richard Jones CBE (Chair)

Andrew Henderson (resigned 30 July 2024)
Cheryl Mould (appointed 4th December 2023)
George Kimmance
Joanne Peters
Kelly Shaw
Michael Wedgeworth
Mushtaq Khan
Sallie Bridgen
Susan Moore (resigned 7th June 2023)

Company Secretary

Stephen Aggett (resigned 30th June 2023)
Anthony Duerden (appointed 30th June 2023)

Syncora Officers

Managing Director	Sarah Swanson
Head of Governance & Assurance	Emma Thornber
Head of Care	Jo Ashworth
Health & Safety	Julie Wilks
Medical Director	Richard Daly
Treatment & Recovery Director	Tom Woodcock

Registered Office

Centenary Court
Croft Street
Burnley
Lancashire
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Registered Number

11171831

External Auditor

Crowe U.K. LLP
3rd floor, 56 Peter Street
Manchester
M2 3NQ

Solicitors

Forbes Solicitors
Rutherford House
4 Wellington Street
St. Johns
Blackburn
BB1 8DD

Bankers

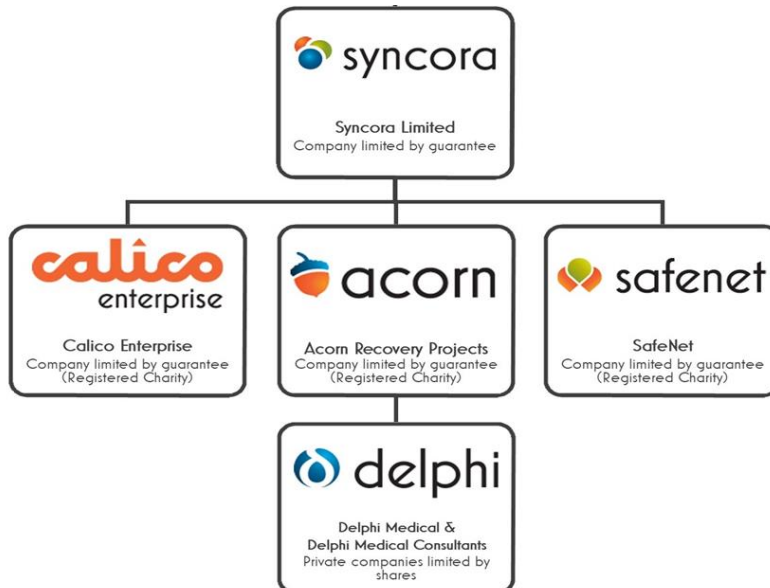
National Westminster Bank
6th Floor
1 Spinningfields Square
Manchester
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Report of the Board

The Directors are pleased to present their report together with the financial statements of the charity for the year ending 31 March 2024 which are also prepared to meet the requirements for a Directors' Report and accounts for Companies Act purposes. The Directors are also the company trustees for charity purposes.

Principal activity

Syncora Limited (Syncora) was incorporated 26th January 2018 as a not-for-profit company limited by guarantee to act as the parent body for the Calico Group ("Calico") care and support entities. Syncora is the holding company with a common board for each of its subsidiaries which are: SafeNet Domestic Abuse Support Services Ltd, Acorn Recovery Projects, Calico Enterprise Limited, Delphi Medical Consultants Limited and Delphi Medical Limited. The company sits between the legal entities and the Calico Group Board. This arrangement will enhance continued growth by integrating service and company offers and maximise the synergies and opportunities across the wide range of services provided by the Group companies.



Review of the year

Details of the Syncora Group annual performance and future are set out within the Strategic Report that follows the Report of the Board.

The Board

The Board of Syncora Limited and the Boards of each of its subsidiaries operate as a Common Board ("the Board"). The Board Members acknowledge that, notwithstanding the operation of a common board, each company is a legal entity in its own right, with its own distinct Board. When taking decisions, the Board members are under a duty to act in the best interests of each separate legal entity. If circumstances arise in which Board members are unable independently to fulfil their duties to each company, a written procedure is adopted. The Rules of each company provide guidance on dealing with any conflicts.

The Directors of Syncora Limited are listed on page 1. The Directors possess the skills and experience necessary to fulfil their responsibilities to the Company.

The Board comprises eight (2023: nine) Non-Executive Directors who are responsible for setting the vision and strategic objectives of the business and overseeing their delivery. The Non-Executive Directors who served during the year and up to the date of the signing of these financial statements are listed on page 1. During this period, there has been one new appointment to the Board and one retirement. The Board met five times throughout the year and all meetings were quorate.

Report of the Board (continued)

The Board (continued)

The Board delegates the day-to-day management and implementation of the strategic objectives to the Group Chief Executive, Executive Directors and Syncora Managing Director. The Executive Team meet weekly and attend Board meetings.

Non-Executive Directors are recruited on a skills-based approach to ensure that they have the appropriate range of skills, experience and attributes required to provide strategic direction and monitor the companies' performance. The Board conduct an annual review of the overall effectiveness of the Board and of the skills required by the Board, which informs future recruitment. The Board and its committees obtain external specialist advice from time to time as necessary.

In 2020, Calico Group launched a New Generation Board Diversity Programme in partnership with the Housing Diversity Network with the intention of broadening diversity within the Board, in particular increasing participation from younger people and people from minority ethnic backgrounds. The New Generation programme supports participants for two years with the aim that at the end of the programme participants will be ready to become Board members. Recruitment for the next iteration of the programme began in June 2024 with a planned start date of September 2024.

Board Members normally serve for up to six years, with a maximum term of nine years, including time served on other Group Boards. One Board Member, Kelly Shaw, has served for nine years including two years on a subsidiary board, and is due to retire at the next AGM. Two Board Members, Richard Jones and Mushtaq Khan have served for seven years and this will be reviewed at the AGM in late 2024.

Alongside the annual review of the overall Board effectiveness, each individual Board member also has an annual development review to evaluate their contribution to the Board and identify training needs. These reviews inform a Board development programme that focuses on Board performance and ensuring the Board's future effectiveness, together with tailored events on specific business-related topics where a training need has been identified.

New Board members receive induction training on their legal obligations under charity and company law; the governance framework of the company; the vision and strategic objectives of the Board; and the services provided.

Syncora and its subsidiaries have insurance policies that indemnify its Board members and Executive Officers against liability when acting for Syncora.

To operate effectively, and to ensure appropriate governance in business-critical areas, the Board has delegated some responsibilities to two Group Committees:

Audit & Assurance Committee

The Group Audit & Assurance Committee is responsible for reviewing the Calico Group's risk management framework and reports to the Syncora Board on the effectiveness of the Company's internal control arrangements. The Committee approves the scope of work of both internal and external auditors, including their appointments. It also considers the financial statements and recommends their approval to the Board. The Committee met five times during the year.

Nominations and Remuneration Committee

The Group Nominations & Remuneration Committee advises the Board on Non-Executive Director recruitment and remuneration, and the appointment and remuneration of the Group Chief Executive and Executive Directors, taking independent advice as necessary. The Committee also sets the objectives for the Group Chief Executive and reviews performance against those objectives. The Committee met three times during the year.

Pensions

Executive Directors and senior leadership are eligible to join the Social Housing Pension Scheme. The Executive Officers participate in the scheme on the same terms as all other eligible staff. Full details of the scheme are given in note 6 to the financial statements.

Report of the Board (continued)

Risk Management

The Calico Group has a Risk Management Framework which is aligned to business activities and supports the achievement of corporate objectives. This framework was refreshed in May 2024. The Syncora Board has overall responsibility for risk management within the Syncora Group of companies. Risks are considered at all levels across the business and all decisions taken by the Board or Committees consider relevant risks.

Syncora Group has in place a risk map which is reviewed by the Syncora Board on a quarterly basis. The directors have undertaken a review of the major strategic risks faced by the charity and have put in place systems to mitigate Syncora's exposure to the major risks.

Principal Risks and Uncertainties

Regular reporting on control issues provides assurance to successive levels of management and to the Board. It is supplemented by regular reviews by internal audit that provide independent assurance to the Board. The arrangement for review includes a rigorous procedure which is monitored internally and ensures corrective action is taken in relation to any significant control issues. The business has implemented a programme of control and risk self-assessment and is further embedding this at different levels of the organisation, which will continue to strengthen each business area's control arrangements.

Utilising this approach Syncora has identified the following risks to the successful achievement of its objectives:

- Contract performance
- Financial performance
- Stability and sustainability of key contracts
- Income/cashflow management
- Health and safety
- Regulatory and legislative compliance
- Staff recruitment and retention
- Growth capacity
- Socio-economic conditions

Charity Code of Governance

The Board has adopted the 2020 Charity Governance Code for Larger Charities. The Board confirms compliance with the Code for the year-ended 31 March 2024.

To ensure continued compliance with the Charity Code of Governance, the Board will continue to enhance its approach to hearing and acting upon what service users are saying, to bench-marking performance and to broadening its diversity and inclusivity.

Employees

The strength of Syncora lies in our people and the diversity of our services. The skills and lived experience of our employees is essential in Syncora delivering its objectives and continue to do more for our customers.

Syncora engages and develops colleagues through regular briefings from senior leadership, regular departmental meetings, an annual conference, "One Calico" events, a performance and personal growth framework and a regularly updated intranet site. We continue to focus on keeping our customers safe and ensuring our services are well led. Looking forward the way we work and the functionality of systems to support our colleagues will be paramount and scoping work is underway to scope this work.

Syncora recognises how important it is for employees to have things to look forward to, evidenced by things in the last year such as Appreciation Day and Service celebration days. Levels of engagement amongst Syncora employees with initiatives and benefits such as Westfield Health and Centre for Financial Education (CFEd) continued to grow. The One Calico Winter Conference returned in December 2023, for the second time after a break of 3 years because of the pandemic. More than 500 employees from across the Group came together to connect, have fun and celebrate their achievements with the Making a Difference Awards.

The Calico Group is committed to inclusivity for all its employees and customers. The Diversity & Inclusion Strategy was reviewed recently with the input of the Paying Attention to Diversity group, Inclusion Forum members, and Boards. The updated strategy mirrors the approach taken by the People Strategy, with plans outlined for the next three years that have measurable outcomes associated with them. Additionally, in support of our digital evolution we digitised Equality Impact Assessments, making it more accessible for users and meaning that results of the completed forms are automatically recorded digitally, and can therefore be analysed. This review of the Strategy also ensured connection with the Customer Strategy, with the strategy explaining how EDI is at the very core of our Group vision, "A community of people, working together with customers to close the equality gap and to show others how we create a fairer society".

Report of the Board (continued)

The Group has increased our focus on recruitment, ensuring diverse video campaigns featuring employees from different groups, roles, and companies in the Group, which have featured prominently on social media through sponsored posts in recent months

The Calico Group attracts a diverse range of colleagues from different backgrounds

The Calico Group attracts a diverse range of colleagues from different backgrounds. Syncora's diversity of employees is 26% male (2023: 29%), 74% female (2023: 71%), 12% who self-identify as disabled (2023: 11%), 16% from a BME background (2023: 15%) and 7% who identify as LGBTQ+ (2023: 5%).

Health and Safety

The Board is aware of its health and safety responsibilities and has a policy statement in place, supported by a robust framework of policies and procedures, and receives regular reports on health and safety issues arising from across the organisation. The Health and Safety Performance Team, chaired by the Chief Executive, meets on a regular basis and receives regular reports on health and safety issues arising from across the organisation.

Internal controls assurance

The Board has overall responsibility for risk management and is responsible for ensuring the organisation has an effective system of internal control.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss, in line with the Board's view that risks should be controlled and not avoided.

In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls that are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which Calico Homes is exposed.

The process for identifying, evaluating and managing the significant risks faced by Syncora is ongoing and has been in place throughout the period commencing 1 April 2023 up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements on a regular basis during the year and considers at each meeting whether the risk map needs amending as a result of the meeting.

Assurance on the effectiveness of key risk controls is reviewed annually by both by Audit and Assurance Committee and the Board.

The arrangements adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework include:

- **Identifying and evaluating key risks**

The Calico Group's risk management framework, setting out the Board's attitude to risk in the achievement of its objectives, underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation, and control of significant risks. The Executive Officers regularly consider reports on these risks and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

- **Information and reporting systems**

The Board approve the annual budget and are supported by regular reporting, forecasts and cashflows which are reviewed and monitored by the Board throughout the year. Reports on key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes are regularly produced and reviewed. The outcomes of these reviews are formally reported and discussed by the Board quarterly.

- **Monitoring arrangements**

Regular management reporting on control issues provides assurance to successive levels of management and to the Board. The Calico Group and Syncora have a number of policies and frameworks in place to support the systems of internal control. These include anti-fraud and bribery, whistleblowing, delegated authority, treasury management, health and safety, data protection and the code of conduct.

Report of the Board (continued)

- **External Assurance**

- **Internal Audit**

Internal Audit is provided by Beevers and Struthers who are responsible for the independent and objective review of the effectiveness of the internal control system within the Calico Group and this provides independent assurance to the Board, via the Group Audit & Assurance Committee. The arrangements include a rigorous procedure, monitored by the Group Audit & Assurance Committee, for ensuring that corrective action is taken in relation to any significant control issues. In 2023/24 the Board received an annual report which confirmed reasonable assurance in respect of the design and operational of internal controls within their scope of work.

- **External Audit**

External Audit is provided by Crowe UK LLP who provide an external audit management letter, which is required to report any material weaknesses in internal controls identified in the course of their audit work, has been received. There were no such weaknesses identified on the effectiveness of existing internal controls that directly relate to the Financial Statements.

Reserves Policy

The Syncora Reserves Policy states aims to keep unrestricted reserves to cover at least two months of variable expenditure to cover costs that are not contract related where we may not have notice of changes. The current level of reserves is £2.530m (2023: £2.350m). Syncora Group reserves are calculated from income and expenditure reserve of £2.402m and a positive restricted reserve of £0.128m.

The Directors will monitor and review the level of reserves annually, in line with guidance issued by the Charity Commission. As a result of this, we do not have to retain large reserves and the current level of unrestricted reserves is sufficient for this. However, reserves are also built up to enable investment in accommodation to grow and expand the service. This will be over and above those reserves represented by fixed assets within the charity's balance sheet.

Capital structure and treasury management

Within the Syncora Group, there is one entity, Acorn Recovery Projects, who has an external loan facility in place with Barclays Bank. As at 31 March 2024 the loan totalled £0.142m (2023: £0.170m) and there was no additional borrowing undertaken in year. Acorn's loan is based on both fixed and floating rates and the loan is secured by fixed charges on Acorn properties.

Going concern

After making enquiries the Board has a reasonable expectation that Syncora and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future.

The Board is confident that Syncora Group remains a going concern for the following key reasons:

- Preparation of detailed financial forecasts, which demonstrate that the organisation has sufficient cash to meet its commitments.
- The subsidiaries within the Group have had sustained positive cashflows in prior years and have a number of medium term contracts in place and have also retained contracts in recent years, providing security.

After making enquiries, the Board is of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future. There was a surplus of £0.2m (2023: £0.1m) and net assets of £2.54m (2023: assets £2.35m), which includes £0.229m (2023: £0.213m) provision for the SHPS defined benefit scheme liability.

Syncora Group continues to adopt the going concern basis in the financial statements. The Group has total net assets of £2.867m (2023: £2.699m).

Statement of directors' responsibilities for the annual report and financial statements

Company law requires the directors to prepare financial statements for each financial period. Under that law directors have elected to prepare the financial statements in accordance with the Companies Act 2006.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the surplus or deficit of the Group for that period. In preparing these financial statements the Board is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements comply with the Companies Act 2006. It is also responsible for taking reasonable steps to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Syncora Limited
Company Number: 11171831



Report of the Board (continued)

The Board is also responsible for the maintenance and integrity of the corporate and financial information on the Group's websites. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

The Board, who were in office on the date of approval of these financial statements, have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Board members have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

Crowe U.K. LLP were appointed as auditors in November 2021, following a tender process, for a period of 3 years with an option for a further 2 years.

This report was approved by the Board on 16 September 2024 and signed on its behalf by:

Anthony Duerden
Company Secretary
Date: 16 September 2024
For the year ended 31 March 2024

Strategic Report

Structure, Governance and Management

Syncora is part of The Calico Group, a collection of innovative charities and businesses working together to deliver social profit in the communities we serve. Whilst the range of services, geography, customers and job roles is diverse they all share a common social purpose- to make a real difference to peoples lives.

Syncora brings together the Group's specialist services through individual companies and service brands:



Abstinence-based drug and alcohol treatment, accommodation and community services



Supports people who are homeless or at risk of homelessness



Drug and alcohol treatment services in the community and criminal justice settings



Provides support services to victim survivors of domestic abuse in refuge and the community



Provides training activities, vocational skills, adult education, employability programmes and social enterprises



Provides residential and dementia care



Vision: To have a positive impact on society by connecting compassionate and experienced people to improve wellbeing: giving everyone a chance to live their best life – one person at a time.

Our values let everyone know how we work, and they are our guide to how we will get to where we are going. We all commit to, and care about;

- Going one step further with our customers
- Improving and strengthening ourselves and our organisation
- Our wellbeing as individuals and teams

Objectives:

- 1) To improve the wellbeing of existing and future customers through personalised, joined up services
- 2) To influence the market for integrated services by building strategic partnerships with commissioners
- 3) To grow the business to become a leading provider of services
- 4) To retain and develop our reputation as a provider of specialist services
- 5) To ensure that Syncora and its associated companies have effective leadership, are well governed and in a strong financial position

Objectives and Activities

Throughout 2023/24 Syncora has continued to focus on effective leadership and management, along with ensuring sufficient oversight and assurance reporting is in place across all Syncora companies. This was identified as an area of focus for 2023/24.

Syncora have supported approx. 30,000 customers in the last 12 months achieving a consistent satisfaction level of above 95%.

Growth indicators remain strong with over £2.4 million contracts won in the year with an 80% tender success rate. 2023/4 has been a quieter year in terms of commissioning and framework opportunities. Several of our core contracts and new opportunities are expected to be subject to competitive tender process during 2024/5.

The majority of Care Quality Commission (CQC) ratings remain "good", within the exception of one new service that was rated Requires Improvement, we are currently awaiting re-inspection. We have received positive feedback from all Monitoring Visits conducted.

Operational delivery of services during 2023/24 has been overseen by Syncora Senior Leadership Team, with Service Managers taking responsibility for operational service level delivery. There have been a number of key roles established during the year to enable a Syncora wide approach to leadership and management, including the role of Health & Safety Business Partner and a Syncora lead for Safeguarding.

Strategic Report (continued)

Objectives and Activities (continued)

Delphi Medical Limited (DML) - The primary service delivery site for DML is the Pavilion in Lancaster which is an in-patient detoxification unit for people experiencing substance misuse problems. The unit has a staffing model which combines medical and nursing staff along with therapists and support workers and patients stay at the unit for between 7, 14 and 28 days depending on their clinical need. Within the review of activities and financial performance of DML the board have taken the difficult decision to close the facility at the Pavilion, Lancaster. This service provision will cease in September 2024.

Delphi Medical Consultant Limited (DMC) - During 2023/24 DMC continued to deliver community substance misuse services in Blackpool and prison substance misuse services in 3 prisons: HMP Manchester; and HMPs Garth and Wymott which are both in Leyland, as well as 2 Secure Children's Homes, Barton Moss and Marydale. From April 2022, DMC was also the main provider of clinical substance misuse services in Blackburn with Darwen as part of the 'Spark' Collaborative. This contract was awarded to the Calico Group by commissioners following a competitive tendering exercise and DMC form the clinical treatment element of the collaborative model and carry an average caseload of 800 clients. This service was rated as Requires Improvement following a CQC Inspection in August 2023, whilst we have continued to embed quality improvement processes, we are still awaiting a re-inspection by CQC.

SafeNet - SafeNet have achieved good levels of financial stability, with an increased turnover up by 5% year on year

- achieved a 6.75% increase in turnover, from £7.4m in 2022/23 to £7.9m in 2023/24.
- efficiencies from SLT and frontline restructure, continuous improvements and controls to strengthen income collection

SafeNet have also achieved good levels of external growth, explored external partnerships and extend DA services.

- BURY New Refuge Facility 10 units including 2 self-contained flats for complex needs survivors
- BURNLEY & PENDLE Re-commissioned by both LA's to deliver housing and tenancy access support service to survivors of domestic abuse, funded by the District Council allocation of DA Act Pt 4 'Burden's' fund
- BURY commission to deliver a DV Co-ordinator (NHS/Health) service, hospital based
- COUNTYWIDE extension of Healthy Relationships in Lancashire Schools into Primary Schools and non-educational settings

Calico Enterprise

The company delivers a number of social enterprises which are work streams that operate as businesses, whilst still targeting the delivery of social impact. Calico Enterprise has also continued operating a diverse range of support services delivered by Gateway Services. During the last year over 2,200 people have been supported by Gateway services, with 92% of customers rating us as above good. One of our aspirations is that all colleagues have an awareness of trauma informed practice with 89% of employees undertaking training this year. Successful completions across all services remained at approx. 70% throughout the year and the teams received 100 compliments from a range of customers, partner agencies and commissioners.

Plans for Future Periods

The Syncora Group's priorities for 2024/25 are;

- **Leadership and management** - effectiveness
- **Syncora growth strategy** - implementation and progress against aims, priorities and guiding themes
- **Customer strategy** - implementation and progress against the aims of the 'Model' and the year one action plan
- **Governance & assurance** - systems, process, procedures, and reporting
- **Staff recruitment, retention, and wellbeing** - quality of recruitment, effective leadership, connection to our purpose and focus innovation.
- **Care** - our offer and models of care within Syncora Care Limited

The effectiveness of **leadership and management** across Syncora Companies continues as a focus for continuous improvement, the companies will invest in learning and development opportunities, such as Leaders Journey to ensure leaders and managers are equipped and supported to carry out their roles effectively whilst the Syncora Group continues to grow.

The **Syncora growth strategy** sets out 3 priority areas until March 2025:

- A safe home
- Working together
- Customer need

Syncora Limited
Company Number: 11171831



Strategic Report (continued)

Plans for Future Periods (continued)

The priority areas are underpinned by six Guiding Themes:

- Lived experience
- Customer voice
- Trauma-informed practice
- Safe and settled accommodation
- Personalisation
- Net carbon zero

We are currently working up plans to develop a Syncora 2030 Strategy, that will include a revision of our Vision and Objectives. All key stakeholders will contribute to the development of this plan. This will take the place of the current Syncora Growth Strategy that is due to conclude in March 2025.

We continue to embed the principles of the Group **Customer Strategy** *The Humanity Offer: 'Living our best lives'* sets out the vision and ambition for how the Companies will engage and work with customers. Work will continue on the 'Showing the way' sessions across Syncora. Syncora is also well represented on the customer strategy steering group, along with specific projects around customer voice, measures and impact. Syncora colleagues have engaged in a number of training workshops in order to develop our approach and ways to engage customers in line with the aims of the Strategy.

In order to drive further operational cohesion and improved efficiencies a decision was taken in 2023/24 to transfer all aspects of the trading of Delphi Medical Consultants into Delphi Medical Limited and operate as one company. It is expected that the transfer will take place during the 2024/25 financial year.

Governance & assurance; Syncora developed an internal Quality Improvement Framework, which went live April 2023. The framework is supported by an internal audit schedule which will overview the quality-of-service provision. During 2023/24 we have spent time embedding the Framework, supporting managers and staff members with training sessions, along with individualised support at service level. The Framework has been a success and is enabling us to develop a strong foundation around quality, compliance and performance.

Staff member recruitment, retention and wellbeing; a continued focus will ensure we are creating positive work environments for our staff teams, we are doing this through company specific people plans. Syncora now has in excess of 630 staff members. Leaders and Managers work closely with HR colleagues to develop robust people and workforce development plans that are reflective of employee feedback, sector wide challenges and have a focus on being fit for the future.

This report was approved by the Board on 16 September 2024 and signed on its behalf by:

Anthony Duerden
Company Secretary
16 September 2024
For the year ended 31 March 2024

Independent Auditor's Report to the Members of Syncora Limited

Opinion

We have audited the financial statements of Syncora Group Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 March 2024 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Changes in Reserve, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 directors' 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 group'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 directors with respect to going concern are described in the relevant sections of this report.

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

Independent Auditor's Report to the Members of Syncora Limited (continued)

Matters on which we are required to report by exception (continued)

- the parent company 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 directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

Vicky Szulist
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd floor, 56 Peter Street
Manchester, M2 3NQ
[Date]

Consolidated Statement of Comprehensive Income

For the period ended 31 March 2024

	Note	31 March 2024 £000	31 March 2023 £000
Turnover	2	29,265	27,879
Operating costs	2	(28,969)	(27,725)
Gross profit		296	154
Interest receivable and similar income		55	47
Interest payable and financing costs	4	(112)	(81)
Profit on ordinary activities before taxation		239	120
Taxation	8	-	-
Surplus for the year after tax		239	120
Actuarial (loss)/gain in respect of pension schemes	6	(61)	(39)
Total comprehensive profit for the period		178	81

The notes on pages 18 to 32 form part of the accounts.

Consolidated Statement of Financial Position As at 31 March 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	9	2,538	2,449
Intangible fixed assets and goodwill	10	-	6
		<u>2,538</u>	<u>2,455</u>
Current assets			
Stock		49	42
Debtors	11	2,432	4,291
Cash and cash equivalents		1,114	839
		<u>3,595</u>	<u>5,172</u>
Creditors: Amounts falling due within one year	12	(3,266)	(4,928)
Net current assets		<u>329</u>	<u>244</u>
Total assets less current liabilities		<u>2,867</u>	<u>2,699</u>
Creditors: Amounts falling due after more than one year	13	108	134
Provisions for liabilities	16	229	213
		<u>337</u>	<u>347</u>
Capital and reserves			
Income and expenditure reserve		2,402	2,224
Restricted reserve		128	128
Total reserves		<u>2,530</u>	<u>2,352</u>
		<u>2,867</u>	<u>2,699</u>

The notes on pages 18 to 32 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 16 September 2024 and signed on its behalf by:

Richard Jones CBE
Chair of the Board
16 September 2024
For the year ended 31 March 2024

Statement of Financial Position – Syncora Limited

At 31 March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Fixed assets			
Investments		-	-
		<u> </u>	<u> </u>
Current assets			
Debtors	11	8	11
Cash at bank and in hand		1	1
		<u> </u>	<u> </u>
		9	12
Creditors: Amounts falling due within one year	12	(9)	(12)
		<u> </u>	<u> </u>
Net current assets		-	-
		<u> </u>	<u> </u>
Net assets		-	-
		<u> </u>	<u> </u>
Capital and reserve			
Income and expenditure reserve		-	-
		<u> </u>	<u> </u>
Total Funds		-	-
		<u> </u>	<u> </u>

Syncora Limited is a private company limited by guarantee without share capital.

The notes on pages 18 to 32 form part of these financial statements.

The financial statements on pages 13 to 32 were approved and authorised for issue by the Board on 16 September 2024 and signed on its behalf by:

Richard Jones CBE
Chair of the Board
16 September 2024
For the year ended 31 March 2024

Consolidated Statement of Changes in Reserve

	Income and expenditure reserve £'000	Restricted reserve £'000	Total excluding non- controlling interest £'000
Balance at 31 March 2022	2,139	132	2,271
Surplus from Statement of Comprehensive income	81	-	81
Transfer of restricted expenditure from unrestricted reserve	4	(4)	-
Balance at 31 March 2023	<u>2,224</u>	<u>128</u>	<u>2,352</u>
Surplus from Statement of Comprehensive income	178	-	178
Transfer of restricted expenditure from unrestricted reserve	-	-	-
Balance at 31 March 2024	<u><u>2,402</u></u>	<u><u>128</u></u>	<u><u>2,530</u></u>

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Note	2024 £'000	2023 £'000
Net cash inflow from operating activities	21	661	(172)
Cash flow from investing activities			
Interest received		55	77
Purchase of tangible fixed assets	9	(301)	(462)
Net used in investing activities		(246)	(385)
Cash flow from financing activities			
Interest paid		(112)	(111)
Repayment of borrowings		(28)	(31)
Net cash used in financing activities		(140)	(142)
Net change in cash and cash equivalents		275	(699)
Cash and cash equivalents at beginning of the year		839	1,538
Cash and cash equivalents at end of the year		1,114	839

Commented [SG1]: IR and IP had not been consolidated out for DML/DMC so this is the correct figures now inserted

The notes on pages 18 to 32 form an integral part of these accounts.

Notes to the Consolidated Financial Statements

Legal Status

Syncora Limited is a not for profit, private non-charitable company limited by guarantee incorporated in England & Wales. The Company is non asset holding and provides strategy and direction to the Group ensuring opportunities are seen with a whole Group perspective. Syncora Limited has a common board for SafeNet Domestic Abuse Support Services Ltd, Acorn Recovery Projects, Enterprise Limited, Delphi Medical Limited and Delphi Medical Consultants Limited. The registered office is Centenary Court, Croft Street, Burnley, Lancashire, BB11 2ED.

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The financial statements are presented in sterling £'000 because that is the functional currency of the Group.

The Syncora Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in respect to financial instruments and presentation of a cash flow statement.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare financial statements on a going concern basis.

The Board are of the opinion that the Group has adequate resources to continue in operational existence for the foreseeable future. There was a surplus of £0.2m (2023: £0.1m) and net assets of £2.53m (2023: £2.35m), which includes £229k (2023: £213k) provision for the SHPS defined benefit scheme liability.

Basis of consolidation

The consolidated financial statements incorporate the results of Syncora Limited, and its subsidiary undertakings Calico Enterprise Limited, SafeNet Domestic Abuse and Support Services Ltd, Acorn Recovery Projects, Delphi Medical Limited and Delphi Medical Consultants Limited.

Using the acquisition or merger method of accounting as required, where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date the Group obtains control. Where the merger method is used, the results are incorporated from the date that control passes. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

Where necessary, adjustments are made to financial statements of subsidiaries to bring accounting policies used into line with those used by other members of the group.

The Group has taken advantage of the exemption granted under Section 408 of Companies Act 2006 from disclosing the unconsolidated Statement of Comprehensive Income for the parent entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- **Pension and other post-employment benefits.** The cost of defined benefit contributions and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Other key sources of estimation and assumptions:

- **Tangible fixed assets.** Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.
- **Goodwill and intangible assets.** The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions would consider in respect of similar businesses. Where in exceptional circumstances, the useful life of goodwill cannot be determined, the life will not exceed 10 years.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Intangible fixed assets

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Subsequently goodwill is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated on a straight line basis over the estimated useful life. This is currently 5 years. The Group establishes a reliable estimate of the useful life of goodwill arising on business combinations based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed and any legal, regulatory or contractual provisions that can limit useful life assumptions that market participants would consider in respect of similar businesses.

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use.
- The ability to use the software.
- The availability of adequate resources to complete the development.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The principal annual rates used are Software development costs 20% to 33%.

Turnover

Turnover represents supporting people services contract income, revenue grants from local authorities and other income and are recognised in relation to the period when the goods or services have been supplied.

Turnover is stated exclusive of Value Added Tax ("VAT") and a summary can be found in note 2 to the financial statements.

Loan Interest payable

Loan Interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in The Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted by the reporting date.

Charitable activities are exempt from taxation which applies to Acorn, SafeNet and Enterprise.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax.

Deferred tax income is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Value added tax

The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Tangible fixed assets and depreciation

Depreciation - Other tangible fixed assets

Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

• Freehold property	75 years
• Leasehold properties	75 years or the term of the lease (whichever is lower)
• Furniture, fixtures and fittings	10-33%
• Computers and office equipment	25-33%
• Motor vehicles	25%

Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Company's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Stock

Stocks of materials is stated at lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stock is assessed for impairment. If there is evidence of impairment, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Holiday Pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Pensions

The Group operates defined contribution plans for the benefit of its employees. The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Group also participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the Group's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Further details of the assumptions and the pension plans are in note 6.

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Notes to the Consolidated Financial Statements (continued)

1. Accounting policies (continued)

Financial instruments (continued)

Commitments to receive or make a loan to another entity which meet the conditions in paragraph 11.8(c) of FRS 102 are measured at cost less impairment.

Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
- An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.
- Fixed asset investments such as ordinary shares and fixed rate unsecured convertible loan notes are held at fair value.
- Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Other financial instruments are assessed for impairment either individually or grouped on the basis of similar credit risk characteristics.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- (a) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- (b) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date

Notes to the Consolidated Financial Statements (continued)

2. Turnover, operating expenditure and operating surplus / (deficit)

Continuing activities

	2024	2024	2024	2023	2023	2023
	Turnover	Operating costs	Operating surplus	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000
Group activities	29,265	(28,969)	296	27,879	(27,725)	154

3. Profit on ordinary activities

The operating profit is stated after charging/(crediting):-

	Note	2024	2023	2022	0
		£'000	£'000	£'000	
Depreciation of tangible fixed assets	9	212	148	126	
Amortisation of intangible fixed assets	10	6	6	37	92
Operating lease rentals – land and buildings		1,820	1,686	1,058	75
Operating lease rentals – other		111	64	71	
Auditor's remuneration (excluding VAT):					
• for audit services		45	35	33	18
• for non-audit services		6	3	3	-

4. Interest payable and finance costs

	2024	2023
	£'000	£'000
Loans and bank overdrafts	56	31
Net interest on pension deficit	56	50
	112	81

5. Employees

Average monthly number of employees

	2024	2023	2022	2021	2020
	No.	No.	No.	No.	No.
Administration	38	36	53	54	46
Housing and community services	341	386	358	347	258
Non social- housing activity	196	210	128	112	144
Total	575	632	539	513	448
Full-time equivalents (36.25 hours/week)	528	495	408	387	355

Notes to the Consolidated Financial Statements (continued)

5. Employees (continued)

	2024	2023
Employee Costs	£'000	£'000
Wages and salaries (gross)	15,046	14,789
Social security costs	1,234	1,248
Other pension costs	469	459
Termination payments	21	29
Total	16,770	16,525

Number of employees in the Group with emoluments, including pension contributions, between:

	2024	2023	
	No.	No.	
£60,000 to £70,000	4	6	3
£70,000 to £80,000	4	4	1
£80,000 to £90,000	2	1	2
£100,000 to £110,000	-	1	
£110,000 to £120,000	1	-	

6. Pensions

Social Housing Pension Scheme

The Group participates in a defined benefit multi-employer pension scheme, Social Housing Pension Scheme, administered by TPT Retirement Solutions. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. A liability for the Group's pension obligations is recognised net of plan assets. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. The Company ceased contributions to this defined benefit scheme as at 1 August 2019. The latest actuarial valuation was as at 30 September 2020, and the last estimate 30 September 2022.

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	920	952
Present value of defined benefit obligation	1,149	1,165
Surplus (deficit) in plan	(229)	(213)
Defined benefit asset (liability) to be recognised	(229)	(213)
Net defined benefit asset (liability) to be recognised	(229)	(213)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION	Period from 31 March 2023 to 31 March 2024 (£000s)
Defined benefit obligation at start of period	1,165
Current service cost	-
Expenses	4
Interest expense	56
Actuarial losses (gains) due to scheme experience	(13)
Actuarial losses (gains) due to changes in demographic assumptions	(11)
Actuarial losses (gains) due to changes in financial assumptions	(18)
Benefits paid and expenses	(34)
Defined benefit obligation at end of period	1,149

Notes to the Consolidated Financial Statements (continued)

6. Pensions (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS	Period from 31 March 2023 to 31 March 2024 (£000s)
Fair value of plan assets at start of period	952
Interest income	47
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(103)
Employer contributions	58
Member contributions	-
Benefits paid and expenses	(34)
Fair value of plan assets at end of period	920

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £56k (31 March 2022 to 31 March 2023 £668K)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	4
Net interest expense	9
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	13

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(103)
Experience gains and losses arising on the plan liabilities - gain (loss)	13
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	11
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	18
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(61)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(61)

Notes to the Consolidated Financial Statements (continued)

6. Pensions (continued)

ASSETS	31 March 2024	31 March 2023
	(£000s)	(£000s)
Global Equity	92	18
Absolute Return	36	10
Distressed Opportunities	32	29
Credit Relative Value	30	36
Alternative Risk Premia	29	2
Emerging Markets Debt	12	5
Risk Sharing	54	70
Insurance-Linked Securities	5	24
Property	37	41
Infrastructure	93	109
Private Equity	1	-
Private Debt	36	42
Opportunistic Illiquid Credit	36	41
High Yield	-	3
Cash	18	7
Long Lease Property	6	29
Secured Income	27	44
Liability Driven Investment	374	438
Currency Hedging	-	2
Net Current Assets	2	2
Total assets	920	952

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.80%
Salary Growth	3.79%	3.80%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

Notes to the Consolidated Financial Statements (continued)

7. Board members and Key Management Personnel Remuneration

Eight Board members received salaries during the period.

	Group 2024 £'000	Group 2023 £'000	Group 2021 £'000
The aggregate emoluments paid to or receivable by non-executive Directors	33	30	38
The aggregate emoluments paid to or receivable by company leads	891	980	528
The aggregate compensation paid to or receivable by company leads	-	-	-
The emoluments paid to the highest paid company lead (excluding pension)	112	104	77
The aggregate pension costs for company leads	18	24	10
The aggregate amount of any consideration receivable from third parties for making available the services of executive officer	-	-	-
Total key management personnel remuneration	924	1,010	566
	No.	No.	
Number of full time equivalent key management personnel	11	13	

The key management personnel are the company leads of the group entities and the Board members of Syncora.

The Syncora Board receive an annual allowance. The Chair receives £6,300 and all other Board members £4,200.

8. Taxation on ordinary activities

Most subsidiaries in the group hold charitable status and therefore their activities are deemed to be non-taxable. The exceptions to this are any profits made by Delphi Medical Limited, Delphi Medical Consultants Limited and Syncora Limited.

	2024 £'000	2023 £'000	2022 £'000	2020 £'000
UK corporation tax charge for the year	-	-	-	-
Deferred taxation charge for the year	-	-	(1)	-
	-	-	(1)	-
Profit/(loss) on ordinary activities before tax at standard rate of corporation tax	239	120	1,070	(4)
Surplus on ordinary activities before tax at standard rate of corporation tax of 25% (2023: 19%)	60	23	203	(1)
Effect of charitable income and expenditure not subject to tax	(89)	(13)	(143)	(56)
Adjustment for short term timing differences	29	(10)	(60)	-
Tax charge for period	-	-	(1)	-

Notes to the Consolidated Financial Statements (continued)

9. Tangible fixed assets

	Freehold property	Leasehold property	Furniture, fixtures & fittings	Computers & Office Equipment	Motors	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 31 March 2023	1,347	790	736	350	65	3,288
Additions	-	-	219	65	17	301
Disposals	-	-	(91)	(21)	(19)	(131)
At 31 March 2024	1,347	790	864	394	63	3,458
Depreciation and impairment						
At 31 March 2023	301	112	270	109	47	839
Charged in year	14	10	100	76	12	212
Disposals	-	-	(91)	(21)	(19)	(131)
At 31 March 2024	315	122	279	164	40	920
Net book value at 31 March 2024	1,032	668	585	230	23	2,538
Net book value at 31 March 2023	1,046	678	466	241	18	2,449

Notes to the Consolidated Financial Statements (continued)

10. Intangible Fixed Assets

	Goodwill	Software & Licences	Group Total
Cost	£'000	£'000	£'000
At 31 March 2023	411	62	473
Disposals	-	(37)	(37)
At 31 March 2024	411	25	436
Amortisation			
At 31 March 2023	411	56	467
Charge for the year	-	6	6
Disposals	-	(37)	(37)
At 31 March 2024	411	25	436
Net Book Value at 31 March 2024	-	-	-
Net Book Value at 31 March 2023	-	6	6

11. Debtors

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Other debtors	1,320	2,728	-	-
Amounts owed from group undertakings	270	348	6	11
Prepayments and accrued income	842	1,215	2	-
	2,432	4,291	8	11

12. Creditors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Debt (Note 14)	34	36	-	-
Trade creditors	209	342	-	-
Amount owed to group undertakings	1,156	2,490	-	-
Other creditors	65	80	-	-
Accruals and deferred income	1,471	1,698	9	12
Other taxation and social security	331	282	-	-
	3,266	4,928	9	12

Notes to the Consolidated Financial Statements (continued)

13. Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000
Debt (Note 14)	108	134
	<u>108</u>	<u>134</u>

14. Debt analysis

	Group 2024 £'000	Group 2023 £'000
Bank loans		
Within one year	34	36
Between two to five years	108	134
After five years	-	-
	<u>142</u>	<u>170</u>

Loan account no.	Expiry	Interest Rate %	Legal charge	Balance £
44461770	April 2028	6.31%	Rosemary Court	141,874

All the bank loans are Acorn loans from Barclays Bank plc totalling £142k (2023: £170k) are secured by legal charges over specific assets held by Acorn (Rosemary Court), which at 31 March 2024 had a net book value of £441k (2023: £441k).

Notes to the Consolidated Financial Statements (continued)

15. Operating leases

The Group had commitments of future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group
	2024	2023
	£'000	£'000
Land and buildings, leases expiring:		
• Within one year	798	495
• Two to five years	31	68
	<u>829</u>	<u>563</u>

Syncora Company has no commitments for the period (2022: £Nil)

16. Provisions for liabilities

	2024	2023	2022	2021
	£'000	£'000	£'000	£'000
SHPS – Social Housing Pension Scheme (Note 6)	<u>229</u>	<u>213</u>	<u>220</u>	<u>475</u>

17. Contingent liabilities

We have been notified by the Trustee of the SHPS that it has performed a review of the changes made to the SHPS's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is on-going and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of SHPS liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

18. Parent Undertaking

The Company is a subsidiary of The Calico Group Limited (Company No. 08747100), a company incorporated in England and Wales.

The Calico Group comprises a number of innovative charities and businesses, working together to create social profit.

The directors consider The Calico Group Limited to be the ultimate parent entity.

Consolidated accounts which include the results of the Company can be obtained from:

- Company Secretary, The Calico Group Limited, Centenary Court, Croft Street, Burnley, BB11 2ED

These accounts include the results of the Company.

Notes to the Consolidated Financial Statements (continued)

19. Related parties

Richard Jones (CBE) and Joanne Peters are members of both Syncora and Calico Group Boards.

Transactions between related parties are on an arm's length basis at normal market prices. Outstanding balances are unsecured and interest free.

Calico Homes Limited make purchase ledger and payroll payments on behalf of the Syncora Group and these amounts are then recharged back to the relevant entity.

Syncora Limited ("Group"), the parent company

Directors are members of the Syncora Limited Board, a holding company, with a common board for each of its 100% owned subsidiaries, which are SafeNet, Acorn and Calico Enterprise. These members received a total remuneration of £34k in 2024 (2023: £30k).

Calico Homes Limited ("Homes"), a fellow subsidiary of *The Calico Group Limited*

During the year, Syncora Group supplied Homes with cleaning, painting and decorating, catering and apprentice management services amounting to £663k (2023: £590k) and Homes recharged office costs and rent totalling £1,669k (2023: £1,531k).

At 31 March 2024, Syncora Group owed to Homes £400k (2023: £1,705k), and Homes owed Syncora Group £117k (2023: £31k).

Ring Stones Maintenance and Construction LLP ("Ring Stones"), a fellow subsidiary of *The Calico Group Limited*

During the year, Syncora Group supplied Ring Stones with catering, cleaning, painting and decorating services amounting to £154k (2023: £237k) and Ring Stones charged interest totalling £45k (2023: £26k).

At 31 March 2024, Ring Stones owed Syncora Group £48k (2023: £28k). Syncora Group owed Ring Stones £758k in respect of a company loan (2023: £775k).

The Calico Group Limited ("Group"), the ultimate parent company

At 31 March 2024, Syncora Group owed to Group £Nil (2023: £11k), and Group owed Syncora Group £5k (2023: £301k).

Group are the contracted party for the Blackburn with Darwen clinical substance misuse service who pay monthly in arrears.

20. Investment in subsidiaries

As required by statute, the financial statements consolidate the results of:

- Syncora Limited, the parent undertaking
- Calico Enterprise Limited
- SafeNet Domestic Abuse and Support Services Ltd
- Acorn Recovery Projects
- Delphi Medical Limited (DML)
- Delphi Medical Consultants Limited (DMC)

The Syncora Group is the Parent Company for Calico Enterprise Limited, SafeNet Domestic Abuse Support Services and Acorn Recovery Projects.

In January 2018 Syncora Limited, a company limited by guarantee, was formed to control the care and support entities. Calico Enterprise Limited is a charitable subsidiary formed to assist the delivery of a range of care and worklessness related services, SafeNet Domestic Abuse and Support Services Ltd is a charitable subsidiary which protects victims of domestic violence and abuse and provides services to support victims. Acorn Recovery Projects is a charitable subsidiary formed to help the recovery of addicts.

During a prior year, Acorn Recovery Projects acquired 100% of the shares of Delphi Medical Limited and Delphi Medical Consultants Limited which provide clinical treatment for detoxification services.

At 31 March 2024, DMC and DML had net liabilities of £990k (2023: £875k) following a deficit for the year £115k (2023: surplus £54k) and allotted share capital of £1,004 (1,004 of £1 Ordinary Shares).

Notes to the Consolidated Financial Statements (continued)

21. Reconciliation of Group surplus before tax to net cash generated from operating activities

	Note	2024 £'000	2023 £'000
Surplus before tax		239	120
Adjustments for non-cash items:			
Pension adjustment	6	(45)	(46)
Depreciation of tangible fixed assets	9	212	153
Amortisation of intangible fixed assets	10	6	6
Tax received/(paid)		-	-
Working capital movements:			
(Increase)/Decrease in stock		(7)	-
(Increase)/Decrease in debtors		1,859	(1,603)
Increase/(Decrease) in creditors		(1,660)	1,164
Adjustments for investing or financing activities:			
Interest payable and financing costs	4	112	111
Interest receivable and other income		(55)	(77)
Net cash generated from operating activities		661	(172)

22. Financial instruments

	2024 £'000	2023 £'000
Financial assets that are debt instruments measured at amortised cost:		
• Cash at bank and in hand	1,114	839
• Intercompany balances	270	348
• Other debtors	1,320	2,728
	<u>2,704</u>	<u>3,915</u>
Financial liabilities at amortised cost:		
• Bank loans	142	170
• Trade creditors	209	342
• Intercompany balances	1,156	2,490
	<u>1,507</u>	<u>3,002</u>

23. Post balance sheet event

As detailed in the objectives and activities section of the Strategic Report, the Board have decided to close the Delphi Medical Limited facility at the Pavilion, Lancaster. This service provision will cease in September 2024.