

ANNUAL REPORT & ACCOUNTS

2024-25

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Performance Report



Introduction by the Chair

I am delighted to present our 2024–25 Annual Report and Accounts which give an overview of OSCR’s performance in what has been a productive year, as well as a year of change for the organisation.

As regulator for all of Scotland’s charities OSCR has a unique understanding of the value and significant role which charities play in our society and of the scale and diversity of the sector. Given the global uncertainties and economic pressures over the last year, I want to acknowledge the support, security and services which Scotland’s charities have provided to a huge number of beneficiaries, and to recognise the commitment and work of charity trustees, staff and volunteers in Scotland who continue to make this happen in what are also very challenging circumstances for charities themselves.

In June we said goodbye to Maureen Mallon after six years of inspiring leadership, and so in July, I was delighted to welcome Katriona Carmichael as OSCR’s new Chief Executive. I have very much enjoyed working with her over recent months and welcome the positive and fresh perspective she brings to the role and to considerations about future direction and priorities for OSCR.

I would like to thank my fellow Board Members for the support and commitment they have shown both to myself and OSCR throughout the year, particularly as we negotiated a number of governance challenges. Their thoughtful approach to strategic decision making, policy development and practical matters have helped shape



and provide clarity around our priorities and direction, and their work in the various sub-committees has contributed in no small part to the positive outcomes detailed in this report.

Throughout the year I have also worked closely with OSCR’s professional and knowledgeable staff team and I would like to thank them for the hard work, commitment and adaptability they have shown. I and fellow Board Members have also been impressed by the enthusiasm with which they have embraced the challenge of preparing for the new duties on OSCR and on charities as a result of the implementation of changes to charity law. The way the staff team have worked in a flexible manner engaging and working collaboratively with a wide range of stakeholders and external suppliers to plan for and meet the priorities associated with implementing various aspects of the new legislation has been exemplary.

I very much look forward to the year ahead, when we will see the commencement of more of our new duties taking shape; and I also look forward to the Board and staff team working closely together to develop our Corporate Strategy for 2026 onward.

Marieke Dwarshuis
OSCR Chair



Chief Executive's welcome and statement on performance

I am pleased to introduce our Annual Report and Accounts for 2024-25. This marks the second year of activity under our 2023-26 Corporate Strategy which sets out how OSCR will regulate and support charities to deliver the services their beneficiaries need.

Our mission is to regulate in way which builds trust and confidence in Scottish charities, holds charities to account and strengthens their ability to positively contribute to society. Over my time in post, it has been a pleasure to see the range of work underway to fulfil that mission, with the values of better regulation at the heart of everything we do. We are continuing to build on our risk-based approach to target our resources in line with the regulatory priorities we set out in summer 2023.

Transparency and accountability are just two of the values that we cherish as an organisation. Over the past year, I am pleased to report that we have continued to consider ways that we can improve information available to the public about charities in Scotland and how they are regulated. For example, we have recently launched our refreshed website which is designed to be easier to navigate and search so that users can find the information they want more quickly. We have continued to place importance on sharing lessons learned with the sector from our inquiry work, publishing a number of reports over the year to share insights of relevance to the wider sector.

That focus on improving transparency and accountability is also at the core of our work to prepare for implementation



of a number of provisions in the Charities (Regulation and Administration) (Scotland) Act 2023, well supported by a Programme Board set up to co-ordinate and oversee projects. I am pleased that a key feature of this work has been an extensive engagement programme designed to reach a broad and diverse range of stakeholders, delivery of which was ably supported by two Engagement Managers seconded to OSCR from the sector. I am very grateful to everyone from the sector who engaged with us.

We have also continued to pay close attention to ensuring that the Scottish Charity Register is as accurate as possible. One feature of that work has been to use new powers to work with charities which have not met the requirements for filing annual returns, either to support them to comply or to remove them from the Register where they are no longer meeting their charitable purposes. Through this work,

492 charities were removed from the Register over the reporting period, and we were pleased to enable a further 121 to fulfil their reporting obligations – a large increase from the previous year in terms of charities bringing their annual report and accounts up to date. I am grateful to our Casework Committee for their engagement and direction on this important work.

As a small non-ministerial organisation, we hold seriously our commitment to public service reform principles and the requirement to work as efficiently and effectively as we can. Throughout 2024-25, we continued to streamline business processes, introduce business efficiencies and ensure that best value principles are applied across all of our activities. As detailed later in this report, this has enabled us to deliver an increased regulatory caseload with a decreasing headcount. Our budgeted resource expenditure was above our budget and this was driven by exceptional costs linked to regulatory activity, with the costs accommodated by the Scottish Government under the terms of our Framework Agreement.

Nothing OSCR does would be possible without the hard work, flexibility and commitment to achieving good regulatory outcomes of all our staff. I am very grateful to the whole team for their support in helping me understand the work of OSCR and sharing their views on priorities for the organisation as we look to the future. Over the last year, I am pleased that we have been able to introduce a new 35-hour week to staff to support wellbeing and continue to be committed to supporting team and staff development and engagement.

I would also like to thank both Martin Tyson and Judith Hayhow for their constant support to the staff team. This report is a reflection of their leadership and long-standing commitment to public service and to OSCR. Judith also performed the role of interim accountable officer between September 2024 and January 2025. Subsequent to the end of 2024-25, Judith has resumed the role of Accountable officer from September 2025 and in this capacity has taken responsibility for signing OSCR Annual Report 2025-25.

Finally, I am very grateful to OSCR's Chair and Board for their leadership and support to our organisation overall, and to me personally. In the year ahead, I am looking forward to working with them – and with the wider charity sector – to shape a new Corporate Strategy from 2026, ensuring that OSCR remains a modern regulator able to support a thriving, diverse charity sector.

Katriona Carmichael
OSCR Chief Executive



About the Scottish Charity Regulator (OSCR)

Purpose and activities of the organisation

OSCR regulates and is the registrar for Scotland's c.25,000 charities. We are a non-ministerial office (NMO) working alongside the Scottish Government and are directly accountable to the Scottish Parliament. We work to ensure that the Scottish public have confidence that the country's charities are well run.

- We provide information to the public about charities and their activities, through our Scottish Charity Register and reporting.
- We offer a range of tools and guidance for charities and the people who run them, to support and encourage improvement in the sector.
- We use our knowledge and intelligence of charities to positively influence and inform the development of national policy, legislation and practice that affects the charitable sector in Scotland.
- We ensure that any wrongdoing in charities is identified, addressed and that the relevant parties are held to account.

OSCR's mission statement

The Scottish Charity Regulator will regulate in a way which builds trust and confidence in Scottish charities, holds charities to account and strengthens their ability to positively contribute to society.

OSCR's values

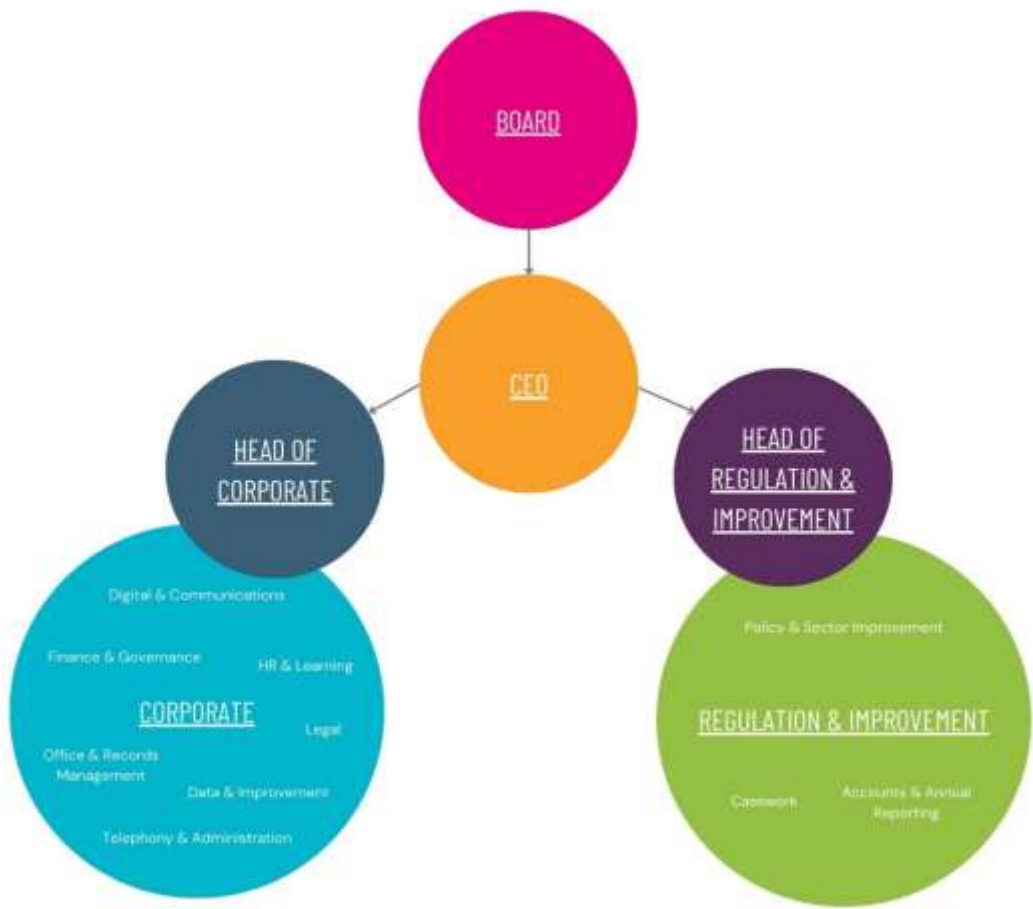
Our values provide a foundation for everything we do, from our interactions with charities to the way we work with colleagues.

- ✓ **Independent**
- ✓ **Proportionate**
- ✓ **Accountable**
- ✓ **Transparent**
- ✓ **Consistent**
- ✓ **Fair**
- ✓ **Targeted**
- ✓ **Informed**

OSCR's structure

OSCR's structure is designed to enable us to fulfil our regulatory duties and carry out the related support functions, whilst still providing enough flexibility to adapt to changing priorities and demands. This, coupled with making the

most of our technology, allows us to work in an effective and agile way. The diagram below shows our current organisational structure. A more detailed organisational chart including job titles can be found on our [website](#).



How we are funded

As a non-ministerial office, we are funded by the Scottish Government. The level of funding we receive is set out in the annual Budget (Scotland) Act. Our revenue budget for 2024-25 was £3.639m (2023-24-£3.30m).

Financial Review Summary

OSCR is classed as a directly funded external body which requires separate parliamentary approval from the Scottish Government portfolio and consequently our budget is detailed separately in the relevant Budget (Scotland) Act.



The revenue resource expenditure, or net operating cost for the year ended 31 March 2025 was £3.770m, (£3.418m in 2023-24) as shown in the Statement of Comprehensive Net Expenditure; compared to a revenue budget of £3.639m (£3.30m in 2023-24).

To allow comparability with the Scottish Government budget, net expenditure has been adjusted to remove the impact of accounting standards not reflected in the budget, specifically those related to lease accounting and dilapidations, instead including the equivalent cashflow. Our budgeted resource expenditure for 2024-25 was £3.717m against a budget of £3.639m, a deficit of £0.078m which is mainly due to additional legal costs associated with the appointment for a judicial factor to a charity in the course our regulatory activities.

		<u>£m</u>	<u>£m</u>
Revenue budget			3.639
Deficit per Statement of Comprehensive Net Expenditure	Page 51	3.770	
Dilapidations provision	Note 11	(0.071)	
Depreciation and interest – right of use assets	Note 13	(0.103)	
Lease payments – right of use assets	Note 13	0.121	
Budget resource expenditure			3.717
Deficit / (Surplus) on a budget basis			0.078

In accordance with the terms of our [Framework Agreement](#) with the Scottish Government, it was confirmed that this deficit would be accommodated from within the overall Communities portfolio budget. Additional information can be found in the Summary of Key Challenges for OSCR during 2024-25 section of this report (page 17).

The main operating costs were incurred in relation to staff at £2.867m (£2.6m in 2023-24), with other expenditure at £0.800m (£0.710m in 2023-24), depreciation at £0.087m (£0.089m in 2023-24) and lease interest at £0.016m (£0.019m in 2023-24).

Contributing to Scotland's priorities

Our work as charity regulator and registrar supports Scotland's c.25,000 charities to make a significant contribution to Scotland's society and economy; and through service delivery to impact positively on the lives of their beneficiaries.

As a Non-Ministerial Office, our strategic objectives are aligned with Scotland's National Performance Framework and connected to delivery of the National Outcomes.

We have continued to identify and implement efficiencies to contribute to the Scottish Government's public service reform agenda. Over the past few years, we have made many improvements to our digital infrastructure and automated many of our processes to deliver fast and more effective regulation. During 2024-25 we:

- Targeted our activities using our updated [regulatory priorities](#)
- Improved the accessibility of our website to encourage stakeholders to 'self serve'
- Worked with the Scottish Government to improve the efficiency of paying suppliers and managing HR processes

Further details about our activities can be found in the 'Highlights of progress against our corporate objectives' section of this report.

The National Performance Framework (NPF) is currently under review, and we look forward to considering how we can best contribute to delivery of the revised outcomes as we develop our



Scotland's National Performance Framework

next Corporate Strategy.

Charities across Scotland make an essential contribution to every National Outcome. To illustrate, activities of charities tackle the climate and nature crises; address poverty and inequality; support communities; encourage health and activity; prevent isolation and loneliness; enable education, and also skills development and job creation. Charities make a substantial difference to Scotland's wellbeing.

In addition to the delivery contribution which charities make to the National Outcomes, the table below sets out examples of how OSCR as a publicly funded organisation also deliver the National Outcomes for our people and stakeholders.

National Outcome	OSCR Contribution
We have a globally competitive, entrepreneurial, inclusive and sustainable economy	We support Scotland's charity sector – worth an estimated £18bn billion 2024-25*
We are well educated, skilled and able to contribute to society	We offer our people varied opportunities for workplace learning, to enable them to develop to their full potential
We value, enjoy, protect and enhance our environment	We support the Scottish Government's commitment to a just transition to net zero by 2045, and are working to reduce our net zero emissions
We have thriving and innovative businesses, with quality jobs and fair work for everyone	We are a living wage registered employer and actively maintain our no gender pay gap
We are healthy and active	We promote opportunities for our staff to improve their mental and physical health
We respect, protect and fulfil human rights and live free from discrimination	We have improved our website to make our services and data more accessible for everyone
We are open, connected and make a positive contribution internationally	We are active members of the International (charity) Regulators group to exchange information, share best practice and learn from international experiences

*Source: [OSCR Sector Overview Report](#)

Highlights of progress against our corporate outcomes

2024–25 is the second year of our [2023–26 Corporate Strategy](#). Highlights of our achievements in delivering our corporate outcomes for this year are provided in this section with a particular focus on our implementation and preparation for the commencement of our new powers in relation to the Charities (Regulation and Administration) (Scotland) Act 2023, as reflected in a number of our corporate outcomes. Highlights of other activities undertaken are also included, and the performance analysis section of this report provides additional information.

Implementing the Charities (Regulation and Administration) (Scotland) Act 2023

Helping charities to comply with the law

On 1 April 2024, OSCR assumed new powers which enabled us to remove charities from the Scottish Charity Register which had failed to submit accounts (“defaulting charities”) and which had not responded to communications from OSCR in respect of this failure. These new powers are designed to help OSCR maintain an accurate Register and to support charities to meet their reporting obligations. We contacted defaulting charities and encouraged them to bring their accounts submissions up to date, or risk removal from the Register; 121 charities brought their accounts submissions up to date; 96 charities requested to be wound up; and a further 492 charities which failed to engage with

us were removed from the Register. Consequently, the overall proportion of charities failing to report to or engage with OSCR reduced by almost 20%.

Schedule of trustees

From summer 2025 OSCR will have a new duty to keep a schedule or database of details of charity trustees for all charities on the Scottish Charity Register; and from early 2026 to publish all charity accounts. We have worked with external contractors and a temporary project manager to complete new functionality within our existing and successful OSCR Online portal which will allow charity users to supply key personal details of their charity trustees, as part of the existing annual return process. Adding this functionality to an existing and familiar system for charities should minimise the burden of regulation, and we are grateful for the work of a team of external testers from the third sector in Scotland in helping us refine this functionality.

Disqualification criteria for trustees and engagement with charities

Another measure – scheduled to commence in summer 2025 – is the extension of the existing criteria of people who are automatically disqualified from serving as charity trustees. These criteria will now include, for example, persons convicted of money laundering and terrorist offences, as well as those on the Sex Offenders Register. For the first time, the criteria will also apply to staff or volunteers

undertaking senior management functions in charities.

During the consideration of the draft legislation in Parliament, concerns were raised about lack of awareness and understanding of these issues within the sector. As a consequence, the 2005 Act was amended with the effect that OSCR's Annual Report must include information about the actions we have taken during the year to promote charities' awareness and understanding of what they need to do to comply with the 2005 Act provisions. In response to this duty, during 2024-25, we carried out targeted engagement work with the sector which was focussed on the legislative changes and the practical issues associated with them for charities. Engagement feedback directly informed the production of guidance and briefings on these changes, with and for the charity sector.

A focus for our engagement work was to reach charities that might not typically be aware of, or respond to, consultations or engagement programmes. To deliver this, we worked with umbrella bodies (charities that have several subsidiary charities as part of their structure); charities with established networks (Third Sector Interfaces* and representative or membership bodies), as well as charities who themselves were membership groups for other charities which focused on supporting minority ethnic communities within Scotland. We thank all those stakeholders who supported this engagement.

Our engagement also targeted charities that we identified as potentially experiencing the greatest impact from the introduction of the new measures,

especially the creation of the trustee database and the revised automatic disqualification criteria. We worked closely with those charities to help them understand how to comply with the new charity law in a way which caused minimal impact.

The value of our engagement work, and delivery of the Parliamentary duty, was measured by means of feedback questionnaires for attendees at meetings and events. Responses indicate that both understanding and sentiment of the legislative changes increased amongst those with whom we had engaged.

Our engagement work with all stakeholders will continue throughout 2025-26.

**A third sector interface is a charity that supports, develops and advocates for the third sector and social enterprise*

Other highlights from our activities this year

Corporate Outcome 1 – We will ensure the public have access to the information they need about charities in Scotland and how they are regulated.

- As part of our efforts to improve the accuracy of the Scottish Charity Register, our partnership work with Foundation Scotland in relation to the [Revitalising Trusts Project](#) continued, and it is estimated that assets of c£3.3m were released back into the charitable sector in 2024-25 as a result of this work.

- In January 2025, we launched our upgraded website: oscr.org.uk. A significant review and refresh was undertaken to ensure content was accurate and up to date, and the improved search functionality helps ensure that information is more easily accessible to charities and the public.

Corporate Outcome 2 – We will provide charities with the tools and guidance they need to meet regulatory obligations.

- In addition to the engagement programme referred to earlier in this report, in February 2025 we ran two sessions at the SCVO Gathering – the largest free voluntary sector event in the UK and platform for individuals working in the voluntary sector to network, showcase their work, and learn from each other. The sessions were focused on preparing for the new charities legislation and outlined the most common compliance issues likely to be faced by charities, and how to avoid them. Both sessions were full and feedback confirmed our approach to engaging with key stakeholders was effective.
- During 2024-25 we published a number of 'key lessons' reports based on outcomes from our inquiry work, and annual return analysis. We expect that charities and advisors can use this information to inform their working practices.

Corporate Outcome 3 – We will deliver smart, responsive and effective regulation that positively impacts on Scotland's charity sector and its beneficiaries.

- The UK charity regulators are the Charities SORP (Statement of Recommended Practice) making body and are responsible for the development and maintenance of the SORP. This sets out how larger charities and all charitable companies must prepare their accounts. In March 2024, the accounting standard on which the SORP is based was updated by the Financial Reporting Council, prompting a requirement to develop a revised SORP. OSCAR was heavily engaged in the development work and in preparing for the associated Consultation in March 2025. The new SORP not only maintains consistency with accounting standards, but uses language and explanations which are intended to make compliance easier for charity accounts preparers, and more transparent for accounts users.
- Our Data and Improvement Team have completed 28 digital improvement projects, and 30 smaller enhancement projects to internal systems during the year. This work has included: the creation of enhanced management reports; further automation as part of the process required to remove

charities from the register (Section 45a defaulting process); and automation to improve the efficiency of how we consider concerns about charities. This work has helped deliver a range of service improvements for charities, and operational efficiencies for OSCR.

Corporate Outcome 4 – We will focus on our people and have a motivated, flexible and well supported workforce.

- We continued making progress against the goals outlined in our People Strategy, through developing and delivering a range of learning and development opportunities including in house training and peer-to-peer development.
- We supported and developed our managers to effectively manage performance in a consistent way across the organisation.
- Our Civil Service People Survey employee engagement score increased from 65% in 2023 to 67% in 2024, with particular increases being reported against learning and management themes.

Corporate Outcome 5 – We will maintain a focus on best value, continuous improvement and collaboration.

- We continue to share services with a number of other Delivery Bodies, and to use Scottish Government services where these offer operating efficiencies and benefits to us.
- We undertook an analysis of the collaborative working relationships we have with other public sector bodies and began the process of updating formal and informal joint working agreements with key partners in order to support effective operational delivery.

Summary of key challenges for OSCR during 2024-25

Financial sustainability and meeting unexpected costs

As for most publicly funded bodies, financial sustainability is perhaps our single biggest challenge. Our 2024-25 budget was £3.639m, of which approximately 79% is associated with staffing costs and 21% committed to other contracted costs. Our discretionary spend is limited, and requires to be carefully monitored and planned; and our ability to meet unexpected costs is very limited.

In the course of our inquiry work during the year, we were required to incur significant and unexpected legal costs in order to protect charity assets and to ensure that services provided by a charity for extremely vulnerable beneficiaries was able to continue to operate. The costs of this work exceeded our legal budget, and we were required to seek an undertaking from the Scottish Government to meeting these under the terms of our Framework Agreement. This is the first time that we have been required to invoke this support and is reflective of the increasing complexity of our inquiry activities which we are more frequently finding require specialist professional input.

Looking to 2025-26 and beyond, it seems possible that unless OSCR's annual budget increases significantly, further in year undertakings may be required. (The impact of this unexpected expenditure is reflected in the

Statement of Expenditure section of this report.)

Digital security and resilience

The threat of a malicious cyber-attack continues to be one of the biggest challenges faced by OSCR. This year we have undertaken a range of new actions to mitigate this risk, including implementing a significant update to our website, and working with the Scottish Government's procurement specialists to ensure that the suppliers bidding for various IT support contracts have been subject to a comprehensive security screening process. Each of these new contracts specifies a high level of digital security in the provision of digital services to OSCR and the charities we support and this work has supported OSCR in regaining Cyber Essentials accreditation.

In addition to this technical work, we have reviewed and revised our Business Continuity Plan (BCP), and have worked with suppliers, Board Members and staff to test our resilience to cyber security incidents through the use of materials provided by the National Cyber Security Centre. All staff continue to be required to complete a training course on digital and cyber security.

Maintaining our digital security formed a major part of our annual IT review, and this work has helped OSCR to develop a set of proposals to further mitigate against cyber risks over the coming year.

Long-term staff absence

As an organisation with a relatively small staff cohort, any long-term staff absence has the potential to impact significantly on our performance and delivery. During 2024-25 a number of key personnel were absent for extended periods of time, resulting in a number of potential business challenges. Our Chair, Board and Audit Risk and Assurance Committee proactively planned and engaged with staff and Scottish Government colleagues to ensure that the absence impacts were mitigated, and that sound governance arrangements remained in place. Whilst absent, colleagues accrue annual leave, and the higher than usual absence rates in 2024-25 are reflected in an increase in the annual leave accrual shown in our financial statements.

challenges which have resulted in the time required to undertake transactional finance functions increasing. These challenges are being experienced by other users, and whilst we are confident that issues will be resolved, resource pressures associated with system use are likely to continue into 2025-26.

Implementation of the Oracle system by the Scottish Government

As a shared service user, we were involved in the transfer of data and preparation for replacement of the Scottish Government Finance (SEAS) and HR systems (One HR) with an Oracle based multi-function platform. Project management and implementation was managed by the Scottish Government, and in the months leading up to system go-live, several OSCR staff were involved in data transfer and training in preparedness for the system implementation.

Responding to this resource requirement added to the workloads of a number of OSCR staff, particularly in the months preceding go live. We continue to experience a number of system

Performance analysis

OSCR is an improvement-focused organisation which sets stretching delivery targets and has a long history of delivering business efficiencies.

Our 2024-25 Business Plan sets out our priorities for the year together with key performance indicators (KPIs) used to measure and report delivery progress.

The KPIs were developed with our Board and are intended to be stretching, reflecting our Board’s commitment to outcome-focused delivery. The KPIs are intended to encourage organisational and staff ambition and also to demonstrate OSCR’s commitment to continuous improvement and efficiency. In recognition of the challenging nature of these measures, our Board agreed that a degree of tolerance around achieving the KPIs was required, and this is reflected in the tables below.

This ambitious approach has enabled us to deliver our regulatory functions with a decreasing headcount, and a reduction in the full-time working week to 35 hours from October 2025. This has, in part, been enabled through a focus on improving our digital infrastructure and automating many of our processes.

Table 1 below shows our headcount in relation to the number of applications for charitable status received and the number of concerns we have received about charities.

Table 2 shows the number of applications for charitable status that have been processed, and table 3 shows the number of concerns about charities that have been dealt with.

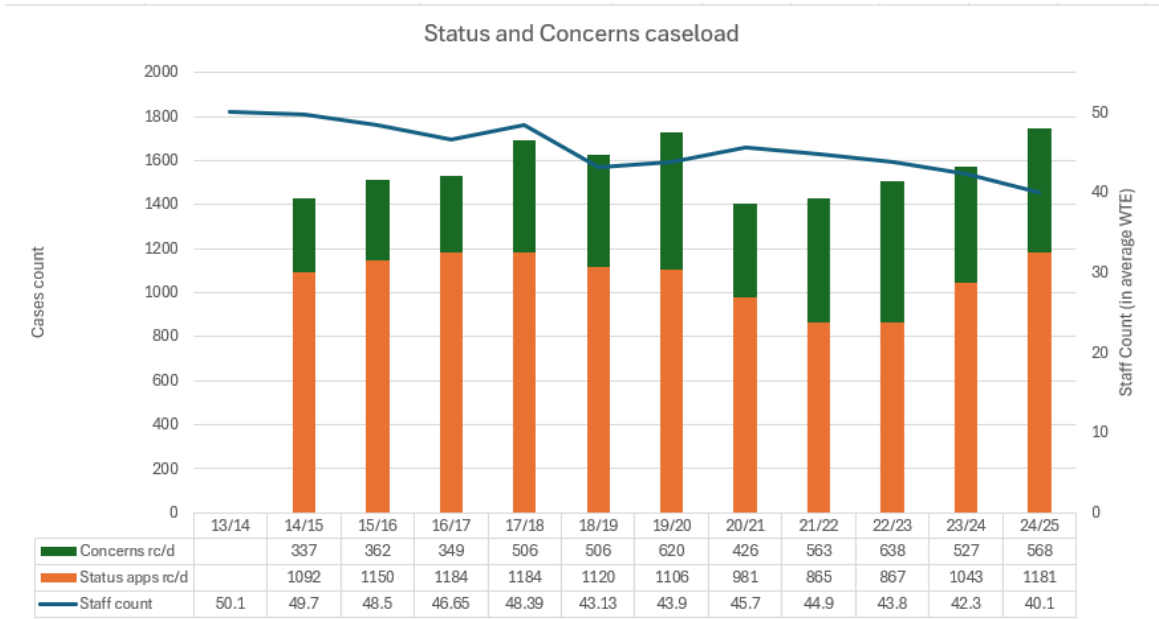


Table 1: Status and Concerns caseload

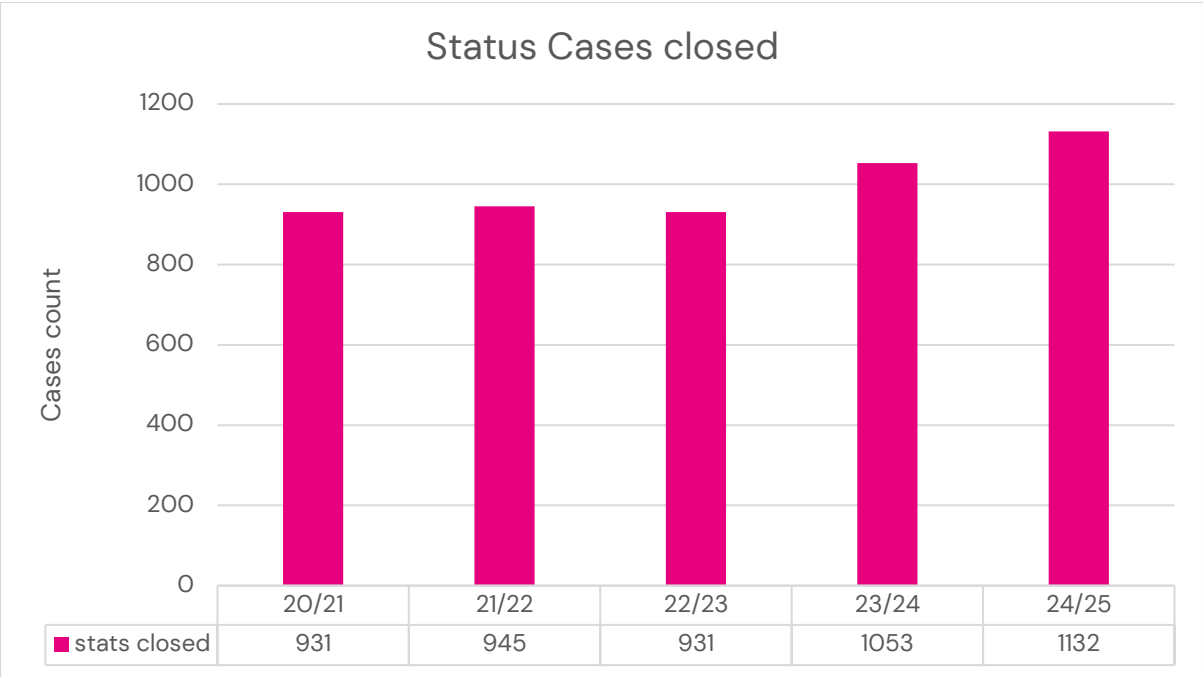


Table 2: Status Cases closed
*Figures include incomplete applications

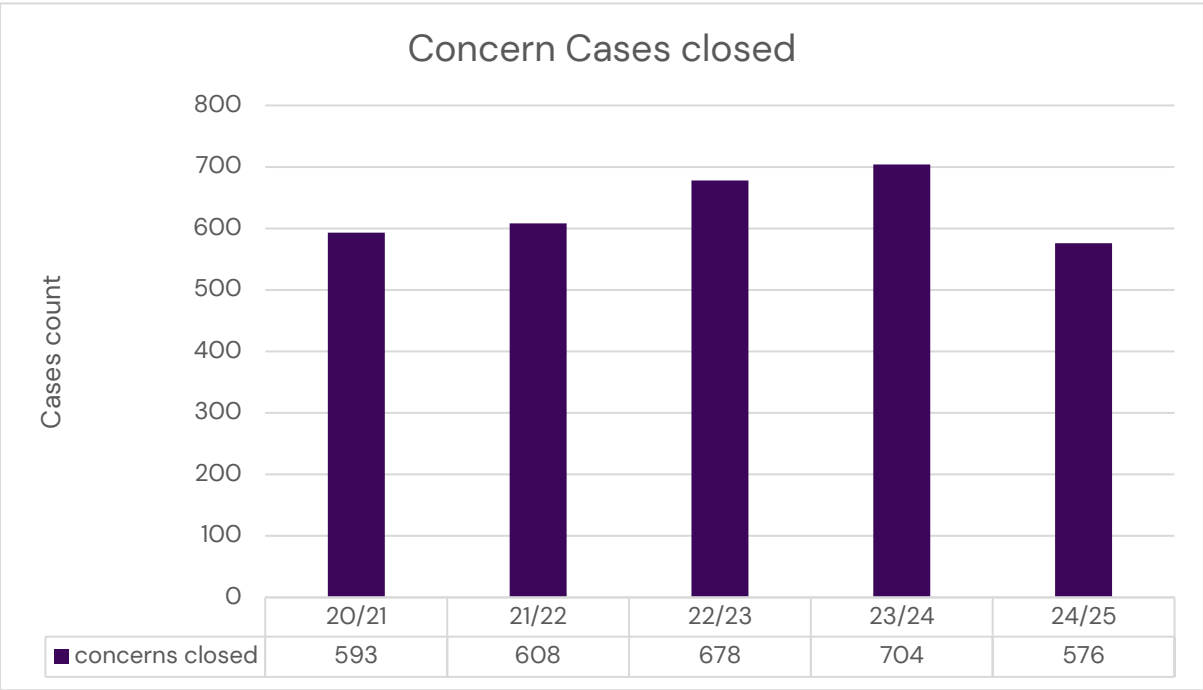


Table 3: Concern Cases closed

Highlights of our 2024-25 performance against our ambitious KPIs are set out below. Where they have not been met, the data demonstrates that positive progress has usually been achieved, showing our commitment to continuous improvement.

1. We will ensure the public have access to the information they need about charities in Scotland and how they are regulated.

Ambition	2023-2024 Baseline	2024-2025 Goal	Overall Result
The percentage of charities who are not up to date with filing their annual return and accounts is less than 8%.	10.1%	8%	8.2%
<ul style="list-style-type: none">• In March 2025 the Scottish Charity Register listed approximately 25,000 charities, of which 2031 were not up to date with filing their annual return and accounts. The target set was ambitious and we have made significant improvement in this area.• Further information about our work to engage defaulting charities is included in the Implementing the Charities (Regulation and Administration) (Scotland) Act 2023 section of this report.			
80% of the public who provide feedback on their experience of using the website report they can find the information they need on the OSCR website.	82%	80%	86%
<ul style="list-style-type: none">• Information around the website improvement work which underpins this KPI can be found in the 'Other Highlights from our activities' section of this report. (Outcome 3).			

2. We will provide charities with the tools and guidance they need to meet regulatory obligations.

Ambition	2023-2024 Baseline	2024-2025 Goal	Overall Result
Helpfulness rating for our tools and guidance will be 90%.	N/A	90%	82%
<ul style="list-style-type: none">This was the first full year of gathering this information, and we will use the end of year figure as a baseline for future tracking. Further information around website improvements can be found in the 'Other Highlights from our activities' section of this report (Outcome 3).			

3. We will deliver smart, responsive and effective regulation that positively impacts on Scotland’s charity sector and its beneficiaries.

Ambition	2023-2024 Baseline	2024-2025 Goal	Overall Result
90% of status cases are completed within 6 months of receipt	97%	90%	96.4%
<ul style="list-style-type: none">820 of 850 applications processed for charitable status were completed within 6 months of receipt in 2024-25. 97.2% of application for charitable status were dealt with within 35 days.			
60% of concerns cases are completed within 6 months of receipt	50%	60%	57.3%

<ul style="list-style-type: none">175 inquiry files were closed within 6 months for 2024-25 and 257 were created. The goal for this KPI was not met but demonstrates an improvement on 2023-24. A number of long running complex cases were also closed during the year.			
100% of consent applications are completed within 28 days	100%	98.6%	98.1%
<ul style="list-style-type: none">798 applications for consent to change were received in 2024-25, with 713 completed within 28 days and 20 actioned outwith this deadline. We failed to meet all deadlines as a result of a process issue, identified and rectified in the first quarter of the year. Following resolution the completion rate for the remainder of the year was 100%.			
The % of incoming concerns not appropriate for OSCR to deal with is less than 55%	59%	<55%	54.8%
<ul style="list-style-type: none">During 2024-25, we received 568 concerns about charities of which 311 were identified as not requiring action by OSCR. We have made changes to our website to further make clear which types of concern are relevant for OSCR, and to signpost further sources of support for issues which are outside our scope.			

4. We will focus on our people and have a motivated, flexible and well supported workforce.

Ambition	2023-2024 Baseline	2024-2025 Goal	Overall Result
People Survey Engagement Score increase to 60%	65%	>65%	67%
<ul style="list-style-type: none">Details of our work to support our staff, which has contributed to increased engagement are detailed in the 'Other Highlights from our activities' section of this report. (Outcome 4)			

5. We will maintain a focus on best value, continuous improvement and collaboration.

Ambition	2023-2024 Baseline	2024-2025 Goal	Overall Result
All MOUs and partnership agreements reviewed and refreshed.	See below comment	See below comment	See below comment
<ul style="list-style-type: none">Information about our partnership work and priorities can be found in the 'Other Highlights from our activities' section of this report (Outcome 5).We have reviewed and refreshed a number of MOUs, and are considering next steps on a further set in light of existing statutory powers and the engagement and resource availability of other partners.			

Freedom of Information requests

The number of requests for information made under the Freedom of Information (Scotland) Act 2002 has increased significantly over the past five years, and in 2024-25, 93 requests were received, compared to 36 in 2020-21. The nature of the requests has become more complex and there has been an increase in staff time associated with this work. All 2024-25 requests were responded to within legislative timescales.



Service Level Complaints

OSCR received 22 service level complaints during 2024-25. The complaints were dealt with in line with our [complaints procedure](#). In total 12 were not upheld, 8 were upheld, one was resolved at first contact and one was a duplicate of a previously lodged complaint. All were responded to within the 20-working day timescale. The majority of complaints related to OSCR's handling of concerns regarding charities. Where complaints were upheld, the reason for the complaint and associated processes were reviewed, so that improvements could be made as appropriate.

Going Concern

OSCR has no reason to believe that Scottish Ministers intend to withdraw support to the organisation, and

resource funding of £3.66m for 2025-26 has been confirmed in the Budget Scotland Act 2025. It is therefore considered appropriate to prepare these accounts on a going concern basis.

Sustainability Report

All public bodies listed in Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 are required to report annually on compliance with the climate change duties, relating to the reduction of emissions, and specifically CO2.

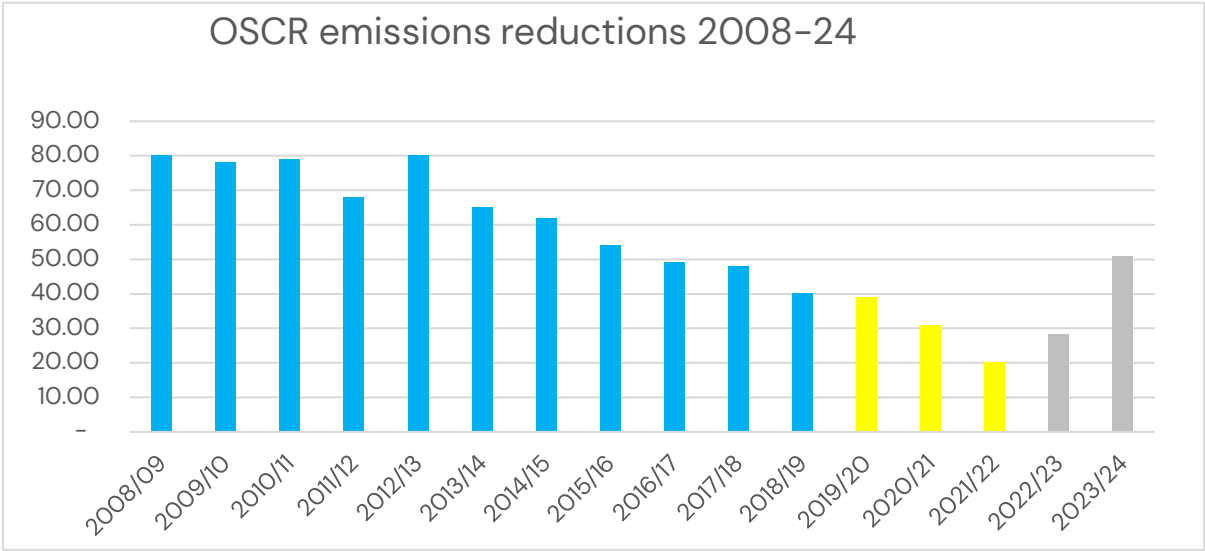
The goal set out in the Climate Change (Scotland) Act 2009 is to reduce emissions by 42% against the 2008-09 baseline. OSCR's baseline figure was 80 tCO2e, and our 2023-24 emissions are calculated at 50.74 tCO2e, which represents 36.5% reduction against the baseline. Please note that figures for 2024-25 are not yet available.

Whilst OSCR met its emissions goal in previous years, latest emissions figures have since increased. This reflects two key changes. Firstly, a return to pre-covid business activities, including office

working, and secondly, a change to the way in which emissions have been measured since 2022-23. Our hybrid working policy states staff are required to work in the office at least two days per week, and since 2022-23 the emission calculation is required to include staff travel to and from work. The pre-COVID (blue), COVID (yellow) and post-COVID (grey) time period are highlighted in the graph below.

During 2024-25, we have continued to take steps to reduce emissions through:

- Hosting online rather than in-person events where appropriate.
- Promoting our hybrid working policy to reduce the number of journeys to and from work.
- Promoting the concept of a paperless office, reducing the use of paper and office supplies.
- Promoting and encouraging the use of more active or sustainable modes of transportation when travel is required.
- Maintaining extremely low air travel rates by encouraging staff to consider all travel/other options available to them and



seeking Chief Executive approval for all flights.

- Introducing an LED lighting system.

Anti-corruption and anti-bribery

During the year 2024-25, there were no reports of fraud within OSCR. Staff are aware of the Civil Service Code, and complete annual training on the subject of fraud, bribery and corruption. Contractors are also bound by Scottish Government terms and conditions. Staff are able to access information about raising concerns of fraud and whistleblowing via the Scottish Government (SG) website, internal SG intranet and also during monthly conversations with their manager. Our whistleblowing and counter fraud policies were refreshed in May 2025.

Recommendations to Scottish Ministers

In previous reports, we have highlighted the need for secondary legislation to be passed to complement the benefits to the sector and the public intended by the Charities (Regulation and Administration) (Scotland) Act 2023. These include measures to:

- Improve the path for dissolution of insolvent Scottish Charitable Incorporated Organisations (SCIOs) and allow strike off of inactive SCIOs (reflecting recommendations of the SCIO Dissolution Working Group in 2020)

- Consolidate the regulations which apply to charity accounting in Scotland

Our view is that these measures are still needed, and we will continue to work with colleagues in Scottish Government to help progress them.

We also note the SG's response to the wider review consultation and look forward to further engagement.

Diversity, equality and human rights

OSCR is committed to carrying out its work in a way that encourages equal opportunities, aims to eliminate unlawful discrimination, and fosters good relations among all people. This commitment is aligned the Scottish Government's National Performance Framework which seeks to reduce inequalities in Scotland. We will continue to ensure that equality is an integral part of all our policies and is reflected in our work as charity regulator. As a public body, we follow SG policies in relation to diversity, equality and human rights. We contribute to the Scottish Government's vision to be a world-leading diverse employer where people can be themselves at work, ensuring that all colleagues feel comfortable and valued, and free to contribute fully and to the best of their ability. We are considering the implications of the UK Supreme Court April 2025 ruling, that in the Equality Act 2010, 'sex' means biological sex, for our work and for charities, and are following Scottish Government guidance in this respect.

As an employer, OSCR is committed to recruiting, supporting and developing all staff equally and fairly. We positively value the different perspectives and skills each person brings to our work. All staff are treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity, caring responsibility or trade union membership. Our vacancies are advertised fairly and openly with successful applicants being recruited on merit. We encourage and embrace ideas from all staff promoting inclusion across the organisation and ensure all staff are trained in diversity and inclusion, making use of the Scottish Government learning and development resources. We support a number of staff to work on a part-time basis, and our hybrid working model supports flexibility for individuals. We work together with Occupational Health and Workplace Adjustment teams to ensure workplace adjustments are put in place to support those who need them.



Public Interest Disclosure

OSCR is a 'prescribed person' under the Public Interest Disclosure Act 1998 (PIDA) which means that we are allowed to accept disclosures from people who carry out paid work for a charity.

Our regulatory priorities are set out in our [Regulatory Priorities](#) 2024-26, and when we receive a whistleblowing disclosure we assess it in the light of our Regulatory Priorities and in line with our [Whistleblowing guidance](#) and our [guidance on inquiries](#).

Whistleblowing disclosures help us identify and prevent concerns within the

sector and help charities to put things right. They play an important part in supporting OSCR to underpin public trust and confidence in the charity sector.

During the year we reviewed our processes and checklists in light of current guidance to ensure that we are accurately identifying whistleblowing disclosures and dealing with them appropriately.

We received thirteen (13) whistleblowing reports in 2024-25, compared with the ten (10) received in the previous year.

Eleven (11) of the concerns received were assessed as requiring OSCR to open inquiries using our powers under section 28 of the 2005 Act and using our other statutory powers as appropriate. Five (5) of these inquiries are still ongoing.

In a number of these cases, concerns from other sources were received in addition to the whistleblowing disclosures, or disclosures provided additional intelligence in relation to ongoing inquiries.

In 2024-25 whistleblowing concerns helped us to:

- Identify regulatory concerns
- Identify risks to charities and to the charity sector that would not be otherwise known
- Provide guidance and recommendations to charity trustees.

Signed by:

1CA8D50B6D5845A...
Judith Hayhow

Interim Accountable Officer

13 October 2025

Accountability Report



Chief Executive's Report

OSCR staff are employed by Scottish Ministers, and have the same terms and conditions as staff within the core Scottish Government, including access to Civil Service pension arrangements. OSCR follow Scottish Government policies and procedures, including performance management procedures, and all staff use the Scottish Government's digital HR system (One HR between April and October 2024, and Oracle thereafter) for matters relating to absence, performance and recruitment.

Our aim is that OSCR staff have a clear understanding of how the work they carry out on a day-to-day basis contributes to delivery of our corporate vision and objectives. We have an induction programme for staff joining the organisation, and we have successfully embedded a hybrid working model whereby colleagues attend the office in person, at least two days each week, as well as attending meetings and engagements with other organisations.

A staff newsletter is issued electronically to all staff each week, and this, together with our staff intranet is used to provide feedback from meetings, outline key events and decisions, and includes general updates. Guidance and learning materials are also available via the intranet which helps ensure that the information our people access is up-to-date and consistent. Monthly all-staff meetings are held via MS Teams, and the full staff team engage in in-person meetings at our offices once or twice each year. During 2024-25, in-person all-staff events focussed around our

People Survey results, Operational Plan delivery and our Business Plan priorities for 2025-26.

All OSCR staff have clear business priorities which are agreed at the start of each year. Staff members and managers hold a structured monthly conversation which includes discussions about wellbeing, learning and performance, in addition to weekly priorities-based individual and team discussions.

OSCR participate in the annual UK Civil Service People survey which is co-ordinated by the Cabinet Office. Our 2024 results showed our employee engagement score to have improved, and our work to support and develop colleagues is listed in the 'Highlights of progress against our corporate objectives' section of this report.

Corporate Governance Report

Statement of Accountable Officers responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Scottish Ministers have directed the Office of the Scottish Charity Regulator (OSCR) to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the Scottish Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of OSCR's state of affairs at the period end and of its operating costs, recognised gains and losses and cash flows for the financial period. In preparing the accounts, the Accountable Officer is required to:

- Observe the Accounts Direction issued by Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and

Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Scottish Permanent Secretary appointed the Chief Executive, Katriona Carmichael as the Accountable Officer for OSCR from 1 July 2024. From the period 1 April to 30 June, Maureen Mallon, was the Chief Executive and Accountable Officer. Between 6 September 2024 and 24 January 2025, Judith Hayhow, Head of Corporate was appointed Interim Accountable Officer to cover a period of absence by the Chief Executive.

Statement by Accountable Officer

As Accountable Officer I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding OSCR's assets as set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration, issued by Scottish Ministers.

Disclosure of information to the auditors

As Accountable Officer, as far as I am aware, there is no relevant audit information of which OSCR's external auditor is unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that OSCR's external auditor is aware of the information.

Accountable Officer Confirmation on the Annual Report and Accounts

As Accountable Officer I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

Governance Statement

Background

The Corporate Governance Statement records the stewardship of OSCR and supplements the Annual Report and Accounts. This statement also draws together position statements and evidence on governance, risk management and control, to provide a coherent and consistent reporting mechanism.

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control which supports the achievement of OSCR's policies, aims and objectives as set by the Scottish Ministers.

In the discharge of my personal responsibilities, I ensure organisational compliance with the Scottish Public Finance Manual (SPFM).

OSCR's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve corporate policies, aims and objectives. Our approach is focused on the ongoing identification and prioritisation of risks relating to strategic and operational activity, based on evaluation of the likelihood and impact of each risk being realised.

OSCR relies upon certain business critical systems which are provided by the Scottish Government in respect of finance and human resource functionality. Provision of these services underwent a significant change during 2024-25 when core SG systems were

replaced by a new Oracle provision. The Scottish Government has provided me with assurance in respect of this system, via the following statement:

The implementation of the Oracle Cloud platform is one of the largest transformation projects the Scottish Government has undertaken in years. It has brought our HR, Finance and Procurement data into one integrated solution, delivering a single data source, improved processes, improved controls and greater transparency of data.

The platform was implemented in the Scottish Government and 32 public sector organisations in October 2024. A phased approach on the 1st of October saw around 3,000 users begin accessing the first 3 finance modules, with the HR component rolled out to the full customer base (around 20,000 users) across Scottish Government core and 32 public sector bodies on 7 and 8 October. A further rollout on 14 October saw the implementation of additional finance modules. The platform has been built around a suite of best practice processes, adopted from the UK Government Global Design principles (now superseded by NOVA Functional Reference Model) and was implemented in response to the recognition that the previous Finance and People platforms, SEAS and e-HR respectively, were

approaching the end of their useful lives and had not kept pace with the scale or functions of the organisation.

To ensure that the platform continues to meet the ever-evolving needs of modern government the Scottish Government has put in place a dedicated management team which will manage and maintain the platform with a process of quarterly updates.

In addition to the above, I am provided with Annual Certificates of Assurance by the Scottish Government Director of Human Resources and Organisational Development; the Director of Financial Management and the Director of Digital.

Operation of the Board and Committees

The Board of OSCR is the Charity Regulator, and as such has collective responsibility for setting the strategic direction of the organisation, and for ensuring it carries out its functions effectively and efficiently. The Board is answerable to the Scottish Parliament.

Scottish Ministers are responsible for appointing the OSCR Board, following a public appointments exercise, regulated by the Commission for Ethical Standards in Public Life in Scotland. Information about each OSCR Board Member, including their Registers of Interest is available on our [website](#).

In addition to setting OSCR's strategic direction, the Board oversees OSCR's work and monitors performance including the design and operation of risk frameworks.

They do this through scrutiny, and where appropriate, approval of:

- Corporate Plans and Business Plans
- Key strategies and policies
- Scrutiny of the Annual Report and Accounts
- Considering reports from the Audit Risk and Assurance Committee and Casework Committee
- Regular reports, including reports relating to risk management and performance.

Audit Risk and Assurance Committee

The Audit Risk and Assurance Committee (ARAC) support the Board in relation to responsibilities associated with risk, control and governance at OSCR. [The terms of reference for the ARAC](#), which are reviewed annually, are published on the OSCR website. The ARAC, which comprises three Board Members, is attended by the CEO, Head of Corporate and representatives from both Internal and External Audit. The ARAC held three business meetings in 2024-25 (June, November and February) with an additional meeting in June 2024, at which a detailed review of the draft Annual Report and Accounts

prior to its consideration by the Board, took place.

In addition to its 'standard business', the committee conducts 'deep dive' reviews during two of its annual meetings. The subject matter for these reviews is informed by consideration of the Risk Register and Business Plan, and in 2024-25 focused on OSCR's Business Continuity arrangements.

The ARAC conducts its business with reference to the Scottish Government Audit Committee Handbook, and reviews its own effectiveness annually, reporting the results of that review to the Board and Accountable Officer. The ARAC Chair holds private meetings with representatives from Internal and External Audit annually; and feedback from each ARAC meeting is provided by the ARAC Chair to the full Board.

Casework Committee

The Casework Committee support the Board by providing oversight of OSCR's case-based activities, and assurance to the Board that case-based decision making is undertaken in line with charity and other applicable laws, right first time principles, and OSCR's Risk Framework, policies and published guidance. The work of the Casework Committee also influences our thoughts around our regulatory priorities for the coming year. [Terms of Reference](#) for the Committee are reviewed annually, and are published on our website.

The Casework Committee meets approximately every four weeks, and a total of eleven times during 2024-25 (twice in April, May, June, August, September, October, November, December, February and March).

Feedback from each Casework Committee meeting is provided at each Board meeting, and the Committee formally evaluates its performance and reports on its activities annually.

Our Board



Marieke Dwarshuis
Chair



Jill Vickerman
Vice Chair and
Casework
Committee Chair



Lynn Bradley
Board Member and
Audit Risk and
Assurance
Committee Chair



Kirsten Howie
Board Member and
Casework
Committee
member



Neil Mackay
Board Member and
Audit Risk and
Assurance
Committee
member



William Maxwell
Board Member and
Audit Risk and
Assurance
Committee
member



Robin Strang
Board Member and
Casework
Committee
member

Chief Executive

The Chief Executive of OSCR is appointed by the Permanent Secretary as the Accountable Officer of OSCR and is accountable to the Board for the day-to-day running of the organisation.

Maureen Mallon retired as Chief Executive and Accountable Officer on 30 June 2024, with Katriona Carmichael being appointed to the role on 1 July 2024.

The Chief Executive and Accountable Officer is the only member of OSCR staff who is a Senior Civil Servant.

Senior Management Team

Our **Senior Management Team**, who are responsible for day-to-day operations of the organisation, is made up of our Chief Executive and two Heads of Service, Martin Tyson, Head of Regulation and Improvement, and Judith Hayhow, Head of Corporate.

Details of Senior Management Team remuneration can be found in the Remuneration Report.

The risk and control framework

All bodies covered by the Scottish Public Finance Manual (SPFM) must operate a Risk Management Strategy in accordance with key principles specified, and these have been adopted by OSCR.

Our [Framework Agreement](#) with the Scottish Government sets out how OSCR will work with the Scottish Government and specifies the key roles and responsibilities of:

- The Board of OSCR
- The Chief Executive and Accountable Officer of OSCR
- Scottish Ministers
- The Portfolio Accountable Officer within SG whose remit includes liaison with OSCR

The clarity which the Framework provides sets a robust and clear operating framework for OSCR, and helps eliminate uncertainty in respect of strategic and governance responsibilities.

Organisational risk is monitored and mitigated through a Corporate Risk Framework, which comprises a Risk Register, Risk Appetite Statements, and an Assurance Map. The Risk Framework is considered annually by the Board, and the Audit Risk and Assurance Committee (ARAC). The Corporate Risk Register is reviewed by the OSCR Leadership Team on a monthly basis; and ARAC consider risk and review the Register at each of its meetings in 2024-25.

A Programme Board was established during 2023-24 to oversee the specific activities associated with

implementation of the 2023 Act. Membership of the Programme Board comprised 2 Board Members, together with the Programme Sponsor, senior staff and the Project Manager. The Programme Board has throughout the year decided on scope and authorisation for specific workstreams within the programme, monitored delivery at programme milestones and provided support and challenge to the Programme Sponsor. A separate Programme Board Risk Register was developed, and assurance was provided by the Programme Board to the main OSCR Board at each of its meetings.

Internal Audit conduct an annual review of specific activities, with the coverage being determined through discussion with the CEO and ARAC and drawn from our Risk Register. An annual assurance rating is provided following this Audit, and the implementation of any audit recommendations is monitored by ARAC.

External Audit consider governance arrangements as part of their Annual Report and Accounts review work. Any recommendations or actions resulting from this work are monitored by ARAC and reported to the OSCR Board.

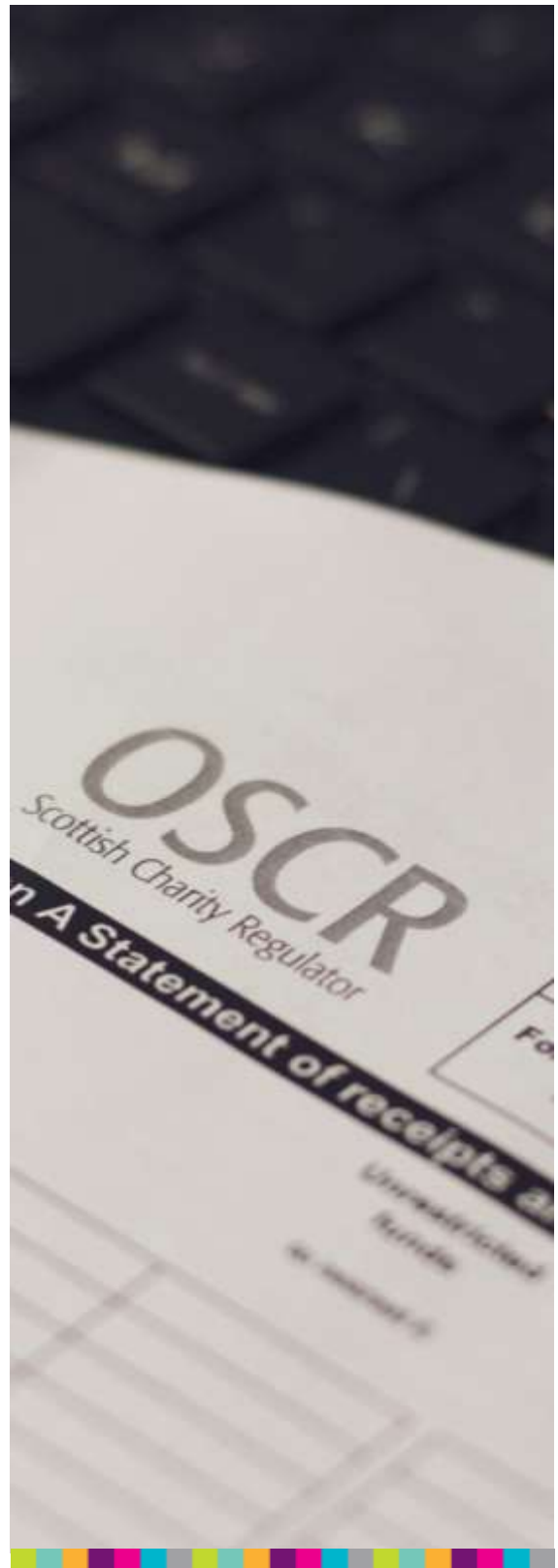
Board Members receive ad hoc briefings from the CEO and SMT on specific matters which have the potential to create risks as they arise throughout the year. In addition to scheduled meetings, two Board Strategy Days are held annually, during which Board Members discuss topical or strategic matters, including their risk implications.

A formal report on the activity of the ARAC and Casework Committees is presented to the Board annually, and the Board also evaluate their overall collective effectiveness annually.

Throughout 2024-25 OSCR has worked with our ICT suppliers to review and revise our Business Continuity Plan (BCP), and to develop a new Disaster Recovery Plan designed to address the modern risk environment. Staff, Board members and suppliers have worked together to test our BCP, and we are currently implementing lessons learned from this exercise. This work has been supported by our Audit and Risk Assurance Committee, who have been engaged with this work throughout the year.

In addition to these formal Risk Management practices, we have:

- A People Learning Plan, developed using feedback from staff, combined with survey feedback collected via the People Survey, which includes mandatory and targeted learning aimed at addressing skills gaps and upskilling our people.
- An IT Code of Conduct for staff and Board Members which sets out our policy in respect of the use of technology.
- Achieved Cyber Essentials accreditation.
- A Service Level Agreement with the Scottish Government Procurement Division, which helps ensure that any procurement activity we undertake is compliant with SG and national procurement directives.



Review of effectiveness of the system of effective control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance arrangements including the system of internal control which has been in place during 2024-25, and up to the period when these accounts are signed. My review of the effectiveness of the system is informed by the work of our internal auditors and the OSCR Senior Management Team who, supported by the Extended Leadership Team are responsible for overseeing implementation of the internal control framework, and ensuring that any comments raised by internal audit through their management letter are adequately responded to.

The Extended Leadership Team receive and consider management accounts on a monthly basis, and review expenditure projections and budget allocations. The Senior Management Team meets each week, and together with the Extended Leadership Team we hold either thematic-based discussion around key topics and issues or standard business meetings each fortnight. I also receive Certificates of Assurance from Heads of Service, in respect of their business areas, annually.

The wider system of internal control is based on the ongoing identification of the principal risks in delivering OSCR's policies, aims and objectives as outlined in the Corporate and Business Plans. Following identification, the nature and extent of those risks are considered and a decision taken as to how to manage

and mitigate them effectively, economically and efficiently.

OSCR Board meetings are attended by myself and Senior Management Team members, with input from staff members who have been involved in the preparation of specific papers. The Chair and I hold meetings weekly either face-to-face or virtually. Throughout the year, Committee Chairs and Board members have engaged with staff on specific topics, attended staff meetings and been visible in the organisation.

Internal Audit services are provided by the Scottish Government's Directorate for Internal Audit and Assurance. Based on their 2024-25 review, a 'substantial' (the top rating) assurance rating was awarded in respect of the adequacy of risk management, control and governance arrangements for those areas reviewed.

One reportable data security incident occurred in 2024-25 (nil in 2023-24), the ICO (Information Commissioners Office) advised that in response to the personal data breach we took reasonable steps to contain the incident. No further action was taken by the ICO. Internal processes were updated to remove the risk of this type of incident occurring again. As Accountable Officer, I can confirm that I am fully content with the effectiveness of OSCR's existing arrangements in respect of corporate governance and risk management.

As the Accountable Officer, I have taken all the steps that I ought to have taken to

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make myself aware of any relevant audit information and to establish that OSCR's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Signed by:

JCA550885543

Judith Hayhow

Interim Accountable Officer

13 October 2025

Remuneration and Staff Report



Remuneration Report

This report provides information on the remuneration of OSCR Board members and senior managers.

The senior managers during the plan period were:

Maureen Mallon Chief Executive (1 April to 30 June 2024)	Katriona Carmichael Chief Executive (From 1 July 2024)	Martin Tyson Head of Regulation and Improvement	Judith Hayhow Head of Corporate
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This report contains audited information and also information which is not subject to audit.

Remuneration policy

Board members are not employees of OSCR or part of the Civil Service. Board members' remuneration is determined in accordance with the [Public Sector Pay Policy](#) which the Scottish Government prepare.

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at www.civilservice.gov.uk) and with independent advice from the Senior Salaries Review Body.

Staff employed below Senior Civil Service level are part of the Scottish Government main collective bargaining unit for the determination of salary. Remuneration is determined by the Scottish Government and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and engagement of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls.

Board member service contracts

Board members are appointed for a period determined by Scottish Ministers and are eligible to be re-appointed following the end of their first period of Board membership. Either party may terminate early by giving notice.

Details of the service contracts for Board members serving during the year are detailed on the next page:

		Current Term	Date of initial Appointment	Date of termination of appointment
Marieke Dwarshuis	Chair	1 st	October 2022	October 2026
Jill Vickerman	Vice Chair	2 nd	March 2018	March 2026
Jess Wade	Member	2 nd	April 2016	April 2024
Lynn Bradley	Member	1 st	April 2022	April 2026
Kirsten Howie	Member	1 st	April 2022	April 2025*
Neil Mackay	Member	1 st	April 2022	April 2026
William Maxwell	Member	1 st	April 2022	April 2025*
Robin Strang	Member	1 st	April 2022	April 2026

*Both Kirsten Howie and William Maxwell were reappointed as Board Members on 1 April 2025.

Board Remuneration (Audited)

	2024-25 (£'000)	2023-24 (£'000)
Marieke Dwarshuis	20-25	15-20
Jill Vickerman	5-10	5-10
Jess Wade	0-5	5-10
Lynn Bradley	5-10	5-10
Kirsten Howie	5-10	5-10
Neil Mackay	5-10	0-5
William Maxwell	5-10	5-10
Robin Strang	5-10	5-10

The daily rate paid to members is set by the Scottish Government, and in 2024-25 was £217.92 per day for members, £233.92 for the Vice Chair and £290.92 for the Chair. The variance in rates paid reflects claims made by Board members throughout the year. No Board member received any benefit in kind, or pension payment.

Salary, Benefits in Kind and Pensions (Audited)

Official	Salary (£'000)		Pension Benefits (£'000)		Total Remuneration (£'000)	
	24-25	23-24	24-25	23-24	24-25	23-24
Katriona Carmichael (from 1 July 2024)	60-65	n/a	46	n/a	110-115	n/a
Maureen Mallon (up to 30 June 2024)	20-25	85-90	-57	48	-33	135-140
Martin Tyson	80-85	80-85	62	28	145-50	110-115
Judith Hayhow	80-85	80-85	41	72	125-130	155-160

‘Salary’ includes: gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by OSCR and as recorded in these accounts.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period

and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Bonus

No bonus payments were paid in 2024-25 or 2023-24.

Benefits in kind

There were no benefits in kind in 2024-25 or 2023-24.

Fair pay disclosure (Audited)

We are required to disclose the relationship between the total remuneration of the highest paid director in the organisation and the lower quartile, median and upper quartile remuneration of our workforce.

Total remuneration includes salary, overtime, other taxable allowances and benefits in kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions.

The Chief Executive was the highest paid Director in the financial year 2024-25. The full time annual salary for the Chief Executive is in the salary band £90,000 to £95,000. The midpoint of this band is £92,500 which is 2.33 times greater than the median remuneration of the workforce. The median pay ratio for 2024-25 is consistent with the pay reward and progression policies for OSCR's employees as a whole. The Chief Executive's salary (our highest paid Director) has increased by 6% from the previous financial year based on mid-point of the salary band.

The average percentage change from the previous financial year in respect of the employees of the entity taken as a whole (excluding highest paid director) was an increase of 8.08% in 2024-25. After the restatement of agency costs to reflect only the remuneration paid, 2023-24 was an increase of 7.52% on 2022-23. Excluding all agency staff, the increase in 2024-25 was 8.01%. This is consistent with the pay reward and progression costs.

	2024-25	2023-24 (restated)
Band of highest paid director (mid-point)	£92,500	£87,500
Lower quartile (25th percentile) remuneration	£33,305	£31,067
Lower quartile ratio	2.78%	2.82%
Median remuneration	£39,749	£35,364
Median ratio	2.33%	2.47%
Upper quartile (75th percentile) remuneration	£54,552	£52,603
Upper quartile ratio	1.70%	1.66%
Staff minimum FTE remuneration	£29,957	£27,128
Staff maximum FTE remuneration *	£94,383	£89,888

* 2023-24 has been restated for agency costs parity with calculation of employee pay costs, in accordance with the FreM. This has resulted in the staff maximum FTE remuneration reducing from £121,723 to £89,888.

Pension benefit (Audited)

Pension benefits	Accrued pension at pension age as at 31.3.25 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31.3.25	CETV at 31.3.24	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Chief Executive					
Katriona Carmichael (from 1 July 2024)*	35-40	2.5-5	669	611	34
Maureen Mallon (up to 30 June 2024)	30-35	0	656	662	-18
Senior Management Team					
Martin Tyson	45-50	2.5-5	983	874	69
	Lump Sum	Lump Sum			
	30-35	0-2.5			
Judith Hayhow^	40-45	0-2.5	968	896	32
	Lump Sum	Lump Sum			
	105-110	0-2.5			

* Benefits prior to 1 July 2025 were under previous employment.

^Accountable officer from September 2024 to January 2025

Pensions statement

OSCR staff members are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS) and at 31 March 2025 all permanent members of staff had joined. In accordance with the Government Financial Reporting Manual (FReM) the PCSPS is accounted for as if it were a defined contribution scheme. Further information and details in respect of the pension schemes are included in note 4 to the accounts. Details of the pension entitlements of OSCR’s Senior Management Team are provided.

Accrued pension

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. The table below details pension ages for each of the schemes whilst note 4 to the Accounts provides further detail.

Scheme	Pension age
Classic (incl. Classic Plus)	60
Premium	65
Nuvos	65
Alpha	Later of 65, or state pension age
Partnership	Benefits must be drawn between 50 and 75

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The real increase reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff costs (Audited)

	Permanently employed staff £'000	Others £'000	2024-25 Total £'000	2023-24 Total £'000
	£000	£000	£000	£000
Wages and salary	1,843	56	1,899	1,875
Social security	203	2	205	196
Other pensions costs	534	0	534	502
Inward secondment	0	130	130	0
Agency staff costs	0	99	99	27
Total	2,580	287	2,867	2,660

Agency staff costs

One agency staff member was employed during 2024-25 in the capacity of Project Manager. The individual was recruited in February 2024, and their work was directly related to the implementation of the new charity legislation, and specifically the digital requirements associated with collection and publication of Charity Trustee names. (Further information on the new legislation can be found in the performance section of this report). This agency member of staff was recruited in line with SG policies.

Average staff numbers over the year by WTE (Audited)

The average number of whole-time equivalent persons employed during the year was as follows:

	2024-25 WTE	2023-24 WTE
Senior management	3.0	3.0
Other permanent staff	37.2	38.8
Inward secondment	1.7	n/a
Agency	0.8	0.5
Total	42.7	42.3

Staff breakdown by permanent and other at year end

In terms of organisational staffing levels, at the end of 2024-25 the overall permanent staff headcount number was 41 with eight (8) staff members working on a part-time basis. The overall Whole Time Equivalent for permanent staff was 40.2. One (1) member of OSCR staff is a Senior Civil Servant.

Staff turnover

Staff turnover for 2024-25 was 7.14%. This reflected 3 members of staff leaving the organisation and 1 joining.

Breakdown by gender at year end

The table below details the gender breakdown of permanent staff, at 31 March 2025.

	Male	Female
Senior Management	1	2
Employees	17	21
Total	18	23

Sickness absence

The average number of days lost per full time equivalent (WTE) to sickness absence during 2024-25 was 10.1 days (SG Core for comparison was 8.7 days for the same period). This was a significant increase on the 2023-24 level of 4.5. Given the relatively small number of staff employed, absence levels can fluctuate significantly on an annual basis, particularly when periods of long-term absence occur.

SG Human Resource Division (SGHRD) work with our HR advisor to manage long-term absences, involving occupational health professionals, as required and in accordance with official absence policies and procedures.

A breakdown of short- and long-term absences is detailed in the table below.

Days sick absence	2024-25	2023-24
Short term (under 20 days)	190.3	185.1
Long term (over 20 days)	221.5	0
Total	411.8	185.1

Average per FTE member of staff	10.1	4.5
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Policies in relation to disabled persons

OSCR’s equality duties arise from the Equality Act 2010 (the 2010 Act), and the Charities and Trustee Investment (Scotland) Act 2005, Section 1 (8) of which requires us to perform our functions in a manner that encourages equal opportunities and in particular the observance of the equal opportunities requirements. OSCR performs its functions in a manner that supports equal opportunities and observance of equal opportunities requirements.

To ensure OSCR services and information is as accessible as possible, our website meets accessibility standards, is Recite Me-enabled and we are a member of the ‘Happy to Translate’ scheme. To support charities in complying with equality law we have [published guidance](#) highlighting their responsibilities.

As an employer, OSCR undertakes to develop all staff and positively values the different perspectives and skills each brings to our work. We adopt the Scottish Government policies on equal opportunities and diversity, and all staff are treated equally irrespective of their sex, marital status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity, caring responsibility or trade union membership. A significant number of our staff are employed on a part time working pattern, and whilst no staff are employed as homeworkers, we support and provide technology to facilitate effective hybrid working.

Expenditure on consultancy and payroll arrangements (Audited)

Consultancy expenditure totalled £7k in 2024-25. We received procurement advice and support from the Scottish Government Procurement Directorate in respect of the Fully Managed Service (Lite) at a cost of £5k (£2k 2023-24). In addition, as part of the recruitment process for a CEO, we made a payment to the Keil Centre of £0.2k.

Exit packages (Audited)

No staff member, Board member or senior manager left under voluntary or compulsory exit schemes in 2024-25 (nil in 2023-24).

Parliamentary Accountability Report

Losses and special payments

There were no losses and special payments incurred by OSCR in the year 2024-25 (nil in 2023-24).

Fees and charges

OSCR do not charge for any of the work carried out and so receive no fee income. All income is in the form of Scottish Government funding.

Remote contingent liabilities

There were no contingent liabilities which require disclosure under IAS31 in 2024-25 (nil for 2023-24).

Signed by:

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Judith Hayhow

Interim Accountable Officer

13 October 2025

Independent Auditor's Report



**Independent auditor's report to the Office of the Scottish Charity Regulator,
the Auditor General for Scotland and the Scottish Parliament**

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Office of the Scottish Charity Regulator for the year ended 31 March 2025 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and

directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. 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 basis of accounting

We have concluded that the 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 body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines 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 Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

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 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. Procedures include:

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer and Head of Corporate as

to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;

- inquiring of the Accountable Officer and Head of Corporate concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government as part of the Budget (Scotland) Act. The

risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limits allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and

the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

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

we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

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

the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and

the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

adequate accounting records have not been kept; or

the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

DocuSigned by:

Sarah McGavin

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Sarah McGavin, (for and on behalf of Deloitte LLP)

**8th Floor
The Silver Fin Building
455 Union Street
Aberdeen
AB11 6DB**

13 October 2025

Annual Accounts



Financial Statements - Office of the Scottish Charity Regulator

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025


		2024-25	2023-24
	Note	£'000	£'000
Operating costs			
Staff costs	3	2,867	2,600
Other administration costs	5	800	710
Depreciation and amortisation	6, 13	87	89
Interest expense on lease liability	13	16	19
Net operating expenditure		3,770	3,418
Total comprehensive net expenditure		3,770	3,418

The notes on pages 67 to 81 form part of these accounts.

Statement of Financial Position

as at 31 March 2025

		2024-25	2023-24
	Note	£'000	£'000
Non-current assets:			
Right of use asset – building	13	266	353
Property, plant and equipment	6	-	-
Total non-current assets		266	353
Current assets:			
Cash and cash equivalents	8	1	1
Other current assets	9	16	133
Total current assets		17	134
Total assets		283	487
Current liabilities:			
Trade and other payables	10	(297)	(578)
Right of use liability	13	(109)	(106)
Total current liabilities		(406)	(684)
Total assets less current liabilities		(123)	(197)
Non current liabilities			
Right of use liability	13	(236)	(345)
Provision for dilapidations	11	(207)	(136)
Assets less liabilities		(566)	(678)
Taxpayers' equity:			
General fund		(566)	(678)

Signed by:

 Judith Haynow, Interim Accountable Officer

The notes on pages 67 to 81 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2025

		2024-25	2023-24
	Note	£'000	£'000
Cash flows from operating activities			
Net operating cost	SCNE	(3,770)	(3,418)
Adjustments for non-cash transactions:			
Depreciation and amortisation	13	87	89
Audit fee	5	16	15
Movements in working capital:			
(Increase)/decrease in trade and other receivables	9	116	(123)
(Decrease)/increase in trade and other payables	10	(281)	259
(Decrease)/increase in provisions	11	71	(26)
Lease interest	13	16	19
Net cash outflow from operating activities		(3,745)	(3,185)
Cash flows from financing activities			
Payment of lease liabilities	13	(121)	(121)
Funding from Scottish Government	2	3,866	3,307
Net financing		3,745	3,186
Net increase/(decrease) in cash and cash equivalents	8	0	1
Cash and cash equivalents at the beginning of the period	8	1	0
Cash and cash equivalents at the end of the Period	8	1	1

The notes on pages 67 to 81 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

	Note	General Fund £'000
Balance at 31 March 2023		(471)
Changes in taxpayers' equity for 2023-24		
Non-cash charges – auditor's remuneration	5	15
Net operating cost for the year	SCNE	(3,418)
Total recognised income and expenditure for 2023-24		(3,403)
IFRS16 lease incentive		(111)
Net funding	2	3,307
Balance at 31 March 2024		(678)
Changes in taxpayers' equity for 2024-25		
Non-cash charges – auditor's remuneration	5	16
Net operating cost for the year	SCNE	(3,770)
Total recognised income and expenditure for 2024-25		(3,754)
Net funding	2	3,866
Balance at 31 March 2025		(566)

The notes on pages 67 to 81 form part of these accounts.

Signed by:

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Judith Hayhow**Interim Accountable Officer****The Accountable Officer authorised these statements for issue on 13 October 2025**

Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of Accounting

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards (IFRS) as adopted by the United Kingdom, IFRIC Interpretations and the Companies Act 2006, to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of giving a true and fair view in accordance with the principles set out in International Accounting Standard 8 (IAS 8): Accounting Policies, Changes in Accounting Estimates and Errors.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention.

1.3 Accounting standards issued but not yet effective

There are no new standards not yet effective that will have an impact on OSCR's accounts.

1.4 Accounting standards effective in current year

There are no standards effective in the current year that will have an impact on OSCR's accounts.

1.5 Assumptions made about the future and other major sources of estimation uncertainty

Management have made no judgements or estimates in the preparation of these accounts.

1.6 Going concern

The accounts have been prepared on the going concern basis, which provides that the organisation will continue in operational existence for the foreseeable future. The negative balance on our Statement of Financial Position of £566k does not indicate an inability to continue as we are funded by the Scottish Government. Further explanation of the going concern basis is contained in the Performance Overview (page 24).

1.7 **Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position consist of cash at bank.

1.8 **Value Added Tax**

OSCR is registered for VAT and where applicable will recover VAT on expenditure incurred. Where VAT is not recoverable, expenditure is charged including VAT to operating costs, or included in the cost of property, plant and equipment and intangible assets.

1.9 **Pension**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependents' benefits. OSCR recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of defined contribution schemes, OSCR recognises the contributions payable for the year.

1.10 **Leasing**

Scope and classification of leases

IFRS 16 leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low value items, defined as items costing less than £5,000 when new, provided they are not highly dependent or integrated with other items; and contracts with a term shorter than 12 months.

Initial recognition of leases

At the commencement of a lease, a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. We have used the HM Treasury rate at the year of recognition. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease.

Subsequent measurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of property without regular rent reviews. For these leases, the asset is carried at a revalued amount.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability.

Impairment of assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential.

1.11 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS37, OSCR discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but have been reported to Parliament in accordance with the requirements of the Scottish Public Finance Manual.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are

not required to be disclosed by IAS37 are stated at the amounts reported to Parliament.

1.12 Short term employee benefits

OSCR permits the carry forward of unused annual leave entitlement and accumulated flexible working hours scheme balances, in accordance with Scottish Government resourcing policies. Entitlement to annual leave and flexible working hours are recognised in the accounts at the time the employee renders the service and not when the annual leave and accumulated hours balances are actually used.

1.13 Financial instruments

OSCR does not hold any complex financial instruments. As the cash requirements of OSCR are met by the Scottish Government, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Most financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and OSCR is therefore exposed to little credit, liquidity or market risk.

Financial assets and financial liabilities are recognised on the Statement of Financial Position when OSCR becomes a party to the contractual provisions of the instrument.

1.14 Changes in Accounting Policy

There have been no changes in accounting policy during the year.

2. Reconciliation of net resource outturn to net cash requirement in 2024-25

2023-24 Outturn £'000		2024-25 Budget £'000	2024-25 Outturn £'000	2024-25 Variance £'000
3,418	Resource outturn	3,639	3,770	131
121	IFRS16 lease payments		121	
	Accruals adjustments:			
(104)	Non cash items		(190)	
(128)	Changes in working capital		165	
3,307	Net cash requirement		3,866	
3,307	Net funding received		3,866	
0	Cash (surplus)		0	

3. Staff numbers and related costs

An analysis of staff numbers and costs is disclosed in the Staff Report section on page 42 of this report. A summary of cost is provided in the table below.

	2024-25 £000	2023-24 £000
Directly employed staff	2,580	2,507
Board Members	58	66
Inward secondment	130	0
Agency	99	27
Total	2,867	2,600

4. Post Employment Benefits: Pension

International Accounting Standard 19 (IAS 19) “Employee Benefits” sets out the accounting treatment to be followed when accounting for the costs of providing a pension scheme.

Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme but OSCR is unable to identify its share of the underlying liabilities.

The Scottish Government currently has five pension schemes offering employer contributions at 28.97% of pensionable pay, regardless of salary band. Employee contributions range between 4.6% and 7.35%, depending on the scheme. Civil servants may be in one of the five defined benefit schemes; either a ‘final salary’ scheme: Classic (including Classic Plus) or Premium; or a ‘whole career scheme’: Nuvos or Alpha. There is also an annuity scheme (Partnership).

For 2024-25, employers’ contributions of £534k were payable to the PCSPS (2023-24 £502k). The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing pensioners. It is anticipated that employers contributions to all pension plans in 2025-26 would be around £502k.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by the UK Parliament each year. Pensions payable under Classic (including Classic Plus), Premium, Nuvos and Alpha are increased annually in line with Pension Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (Partnership pension account).

From 1 April 2015 a single set of contribution rates was set across Civil Service Pensions, regardless of whether members are in Classic, Classic Plus, Premium, Nuvos or Alpha.

For 2024-25 employee contribution rates were set as follows:

Annualised rate of pensionable earnings	Contribution rates from 1 April 2015
Up to £23,100	4.60%
£23,101 – £56,000	5.45%
£56,001 – £150,000	7.35%

Benefits accrue as follows:

Classic:

Benefits accrue at the rate of $1/80^{\text{th}}$ of the final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement.

Premium:

Benefits accrue at the rate of $1/60^{\text{th}}$ of final pensionable earnings for each year of service. There is no automatic lump sum.

Classic Plus:

Benefits in respect of service before 1 October 2002 are calculated broadly as per Classic and benefits for service from 1 October 2002 are worked out as per Premium.

Nuvos and Alpha:

In both of these schemes a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is up-rated in line with Pension Increase legislation. There is no automatic lump sum.

In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

Partnership:

The partnership pension account is a stakeholder pension arrangement. The employer contribution varies according to age, ranging from 8% to 14.75%.

Members of a partnership pension scheme can select their own pension contribution rate. Partnership members do not need to contribute, but if they do so, the employer will match this up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Members of the partnership schemes are contracted in to the state pension scheme – so pay higher National Insurance contributions than members of the four Scottish Government pension schemes.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions.

5. Other administration costs

	2024-25	2023-24
	£'000	£'000
Property costs	144	145
Supplies and services	557	558
Staff related costs	12	18
<u>Non cash items:</u>		
Auditors' remuneration and expenses	16	15
Provision for dilapidations	71	(26)
Total	800	710

- (i) Property costs for 2024-25 comprise Quadrant House running and maintenance costs of £108k (2023-24 £98k running costs, £1k maintenance) and building rates of £36k (2023-24 £46k), all of which are recharged by the Care Inspectorate under a Memorandum of Terms of Understanding (MOTU) agreement.
- (ii) Supplies and services costs for 2024-25 comprise: ICT support and equipment £389k (2023-24 £325k), ICT development £7k (2023-24 £152k), professional fees £130k (2023-24 £29k), and administration costs £31k (2023-24 £52k).
- (iii) Staff related costs for 2024-25 comprise: training £6k (2023-24 £4k), travel and subsistence £4k (2023-24 £3k), relocation expenses £1k (2023-24 nil) and membership fees/subscriptions £1k (2023-24 £4k). There were no recruitment costs incurred in 2024-25 (2023-24 £7k).

Auditor's remuneration is disclosed as a notional charge and relates to fees notified to OSCR by Audit Scotland in respect of the audit work carried out in relation to the year ended 31 March 2025. All audit fees are paid from the Scottish Consolidated Fund.

No other work was carried out by Deloitte (appointed auditors), during the year ended 31 March 2025 (£ nil in the year to 31 March 2024).

6. Property, plant and equipment

2024-25	Leasehold improvement £000	Total £000
Cost		
At 1 April 2024	0	0
Additions	0	0
On transfer	0	0
On disposals	0	0
At 31 March 2025	0	0
Depreciation		
At 1 April 2024	0	0
Charge for year	0	0
On transfer	0	0
On disposals	0	0
At 31 March 2025	0	0
Net book value at 31 March 2025		
	0	0
At 31 March 2024	0	0

2023-24	Leasehold improvement £000	Total £000
Cost		
At 1 April 2023	141	141
On disposals	(141)	(141)
At 31 March 2024	0	0

Depreciation		
At 1 April 2023	141	141
On disposals	(141)	(141)
At 31 March 2024	0	0
Net book value		
at 31 March 2023	0	0
At 31 March 2022	0	0

All assets were owned prior to disposal, with the exception of leasehold improvements and right of use asset.

7. Financial instruments

As the cash requirement of the Non-Ministerial Department is met through the spending review process, financial instruments play a more limited role in creating and managing risk than in a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with OSCR’s expected purchase and usage requirements and therefore OSCR is exposed to little credit, liquidity or market risk.

8. Cash and cash equivalents

	2024-25	2023-24
	£000	£000
Balance as at 1 April	1	0
Net change in cash and cash equivalent balances	0	1
Balance as at 31 March	1	1

This balance is held in a commercial bank.

9. Other current assets

	2024-25	2023-24
	£000	£000
Prepayments	6	21
Other receivables	10	112
	16	133

The decrease in other receivables between 2023-24 and 2024-25 was primarily due to a cash incentive in relation to the Quadrant House lease arrangements being received 2023-24.

Analysis of other current assets:

	2024-25	2023-24
	£000	£000
Balances with other central Government bodies	0	112
Balances with bodies external to Government	16	21
	16	133

10. Trade payables and other current liabilities

	2024-25	2023-24
	£000	£000
Trade payables	40	33
Accruals	58	439
Other taxation and social security	58	51
Other payables	141	55
	297	578

The decrease in accruals in 2024-25 is primarily due to the timing of the receipt of invoices relating to the Quadrant House accommodation costs.

Analysis of trade payables and other current liabilities:

	2024-25	2023-24
	£'000	£000
Balances with other central Government bodies	104	432
Balances with bodies external to Government	193	146
	297	578

11. Provisions for liabilities and charges

There is a provision of £207k for property dilapidations in respect of lease obligations in 2024-25 (2023-24 £136k). Estimates of likely costs in respect of obligations under our property leases for dilapidations, reinstatement and property decorations are charged in accordance with IFRS 16 Leases. The provision has been calculated based on each tenant's percentage occupancy of the building. The increase in the provision between years reflects the dilapidations assessment that was carried out following renewal of the Quadrant House lease.

	2024-25	2023-24
	£'000	£000
Opening balance at 1 April	136	162
Provided in year	71	0
Released in year	0	(26)
Closing balance at 31 March	207	136

12. Capital commitments

There were no contracted capital commitments not otherwise included in these financial statements as at 31 March 2025.

13. Leases

OSCR recognises a right of use asset upon lease commencement. The right of use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date over the term (which is

equal to or shorter than the asset's useful life). The right of use asset will be periodically reviewed for impairment losses and adjustments on remeasurement of the lease liability.

OSCR has tenancy of Quadrant House through a Scottish Government lease, through a MOTU agreement with the Care Inspectorate. The lease period began on 20 April 2023 and it is expected that OSCR will remain in the building for at least 5 years. A cash incentive in relation to the Quadrant House lease arrangements was accounted for in 2023-24. A provision for dilapidations has been made (note 12).

	2024-25	2023-24
	£'000	£'000
At 1 April	353	6
Additions	0	436
Depreciation expense	(87)	(89)
At 31 March	<u>266</u>	<u>353</u>

Commitments under leases

Upon commencement of new leases, the liability is measured at the cost of unpaid lease payments.

Total future annual lease payments on the Quadrant House building are:

	2024-25	2023-24
	£'000	£'000
Not later than one year	121	121
Later than one year and not later than five years	249	371
Less interest element	(25)	(41)
Present value of obligations	<u>345</u>	<u>451</u>
Current portion	109	106
Non-current portion	236	345

Quantitative disclosures around cash outflow for leases:

Reduction of lease liability	105	102
Interest on lease liability	16	19
Total cash outflow for leases	<u>121</u>	<u>121</u>

14. Related party transactions

OSCR is part of the wider Scottish Administration and it considers that the Scottish Government is a related party within this context. OSCR had significant financial and non-financial transactions with the Scottish Government in the year, through the use of its electronic HR and transactional finance systems.

Facilities management of our office at Quadrant House, Dundee is undertaken by the Care Inspectorate on a shared service basis, as are strategic accountancy and transactional services.

OSCR also transacted with a small number of other Scottish public sector bodies during 2024-25, namely Crown Office & Procurator Fiscal Service and Scottish Environmental Protection Agency.

Organisation / Relationship	2024-25 Expenditure £000	2023-24 Expenditure £000
Care Inspectorate:		
Dundee office MOTU	265	265
Accountancy / transactional services	21	6
	286	271
Scottish Government:		
Procurement managed service	5	0
iTECS SCOTS Connect service	2	0
People survey costs	4	0
CGSU costs	1	0
	12	0
Other Scottish public sector bodies:		
Crown Office & Procurator Fiscal Service	1	0
Scottish Social Services Council	0	18
Scottish Environmental Protection Agency	10	0
	11	18
Total related party transactions	309	289

There are no other bodies or organisations that are regarded as related parties with which OSCR has had material transactions during the year.

The Board Members and Senior Management Team have not undertaken any material transactions or had a significant involvement with other related parties in the year except as reported in the remuneration report.

15. Contingent liabilities

There were no contingent liabilities at 31 March 2025 which required disclosure under IAS 37 or the Scottish Public Finance Manual.

16. Post statement of financial position events

There were no events after the statement of financial position date relating to the 2024-25 financial year up to when the Accounts were signed.

Appendix 1



OFFICE OF THE SCOTTISH CHARITY REGULATOR

DIRECTION BY THE SCOTTISH MINISTERS in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2016 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers



Dated 6 June 2021

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