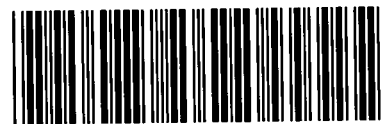


**FAMILY MEDIATION LOTHIAN**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

**Charity Number: SC012815**

**Company Registration Number: SC110356**

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31/07/2015

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COMPANIES HOUSE

**WHITELAW WELLS**  
Chartered Accountants & Registered Auditors  
9 Ainslie Place  
Edinburgh  
EH3 6AT

**FAMILY MEDIATION LOTHIAN**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

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**FAMILY MEDIATION LOTHIAN**  
**REPORT OF THE BOARD OF DIRECTORS**  
**for the year ended 31 March 2015**

The board of directors, who are directors for the purpose of company law and trustees for the purpose of charity law, presents its report and the audited financial statements for the year ended 31 March 2015.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**The Board of Directors**

Rachael Kelsey	Chair
Peter Braid	
Gillian Crandles	
James Fraser	
Andrew Gibb	
Scott McAlpine	
Donald Muirhead	(Resigned 23 September 2014)
David Nicol	
Robert Robertson	
Naeema Sajid	

**Treasurer**

James Fraser

**Company secretary**

Suzanne Dunne

**Senior Management Team**

Suzanne Dunne	Chief Executive
Kate Shirres	Services Manager

**Registered Office and Operational Address**

37 George Street  
Edinburgh  
EH2 2HN

**Senior Statutory Auditor**

David Main

**Independent auditors**

Whitelaw Wells  
Chartered Accountants and Statutory Auditors  
9 Ainslie Place  
Edinburgh  
EH3 6AT

**Bankers**

Bank of Scotland  
PO Box 10  
38 St Andrew Square  
Edinburgh  
EH2 2YR

**FAMILY MEDIATION LoTHIAN**  
**REPORT OF THE BOARD OF DIRECTORS**  
**for the year ended 31 March 2015**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Family Mediation Lothian (FML) is a registered charity, charity number SC12815, and a company limited by guarantee, company number SC110356, constituted under its Memorandum and Articles of Association.

The directors, as listed on page 1, are elected by members at the AGM and serve until the following AGM where they may be re-elected, subject to serving a maximum period in office of seven years. FML's Memorandum and Articles of Association provide for a minimum of four directors to a maximum of twelve directors.

At the quarterly directors' meetings, the directors agree the broad strategy and areas of activity for FML, including consideration of the progress made towards the achievement of annual Business Plan objectives and review of the charity's finances, its reserves and risk management policies and performance. Directors also serve on Finance & Policy and Development Sub Committees of the Board, along with senior employees.

The directors regularly review the skills requirements of the Board and actively pursue a programme of recruitment of directors with appropriate qualifications and skills together with an interest in FML's work.

The induction process for any newly appointed director comprises initial meetings with the Chair of the Board, followed by a series of meetings with FML's Chief Executive and other key members of staff on issues related to the powers and responsibilities of the Board, the range of services provided by FML and wider issues impacting on the work of the charity. Directors receive copies of the Memorandum and Articles of Association, recent financial reports, accounts and board papers, together with available guidance from the Office of the Scottish Charity Regulator and others about the role and functions of directors. A register of directors' interests is kept updated.

FML is a member of Relationships Scotland (RS), formerly known as Family Mediation Scotland. RS provides information on good practice and legislative matters, workforce development, research and funding opportunities, and acts as a link to the Scottish Government and other national public bodies. In order to achieve accreditation under the Civil Evidence (Family Mediation) (Scotland) Act 1995, FML has entered into a partnership agreement with RS, agreeing to adopt the national practice standard, policies and procedures regarding the selection, on-going monitoring, supervision, discipline and removal of mediators. In addition, each mediator employed by FML is required to sign a statement confirming their agreement to meet with the national standard set out by RS. FML is, however, independent from RS.

The directors delegate responsibility for the day to day management of the charity to the Chief Executive, who is in turn supported by a team of eight part time staff and around twenty-five to thirty sessionally employed mediators and contact centre organisers. FML's work is also supported by a dedicated group of volunteers, whose assistance is greatly appreciated.

## **FAMILY MEDIATION LoTHIAN**

### **REPORT OF THE BOARD OF DIRECTORS**

**for the year ended 31 March 2015**

#### **OBJECTS OF THE COMPANY**

The objects of the Company are to offer a range of services including family mediation, child contact and other relevant family support interventions to assist and support families through separation. In particular, the Company offers services to children and young people, parents, step-parents, grandparents, adoptive parents and others in the extended family circle who require support during family break up. The Company also aims to assist families to find amicable solutions to problems and issues raised by separation.

#### **ACTIVITIES OF THE COMPANY**

In furtherance of its objects the Company will carry out the following activities:-

- (a) help parents to agree and sustain arrangements designed to promote the well-being and health of their children, through family mediation where necessary;
- (b) provide safe, secure, friendly places where children can meet with their parents or other significant family members after separation;
- (c) provide support services for children and young people affected by family break up and separation;
- (d) promote the idea of counselling to individuals and couples experiencing relationship difficulties or family break-up;
- (e) work in partnership with local authorities, the legal sector and other voluntary and community organisations throughout the Lothian area to promote the above objects; and
- (f) provide a universal service which responds to the needs of all families and children, including those from areas where socio-economic factors such as poverty, health inequalities, poor housing and high unemployment have been identified.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **Headline Achievements**

- We offered 951 intake appointments with 851 clients attending
- We offered 465 mediation appointments attended by 420+ parents
- 322 Children indirectly benefited from their parents attending family mediation
- Our 6 Child Contact Centres provided 3133 sessions
- 292 Children have been able to spend time with the parent they no longer live with through the use of the child contact centres
- 7,112 hours of child contact were facilitated
- 20 Families used our Supervised Child Contact Service / 111 sessions were facilitated
- 85% of clients would recommend our services to others
- 70% of clients reported that using our services had improved their family situation overall.

## **FAMILY MEDIATION LoTHIAN**

### **REPORT OF THE BOARD OF DIRECTORS**

**for the year ended 31 March 2015**

Family Mediation Lothian (FML) provides services for families, including parents, children and young people who are experiencing difficulties around separation, divorce and family break up. Extended family members, for example grandparents, step parents, new partners, and siblings may also be included. Through family mediation, we aim to help parents to agree and sustain arrangements that are designed to promote well-being and health for their children. We give further family support through providing safe, secure, friendly places (with staff and volunteers on hand) where children and parents can meet after separation, and through support services for children and young people affected by family break up and separation.

We work in the City of Edinburgh and throughout East, West and Mid Lothian and notably, in localities where the impact of poverty, health inequalities, poor housing and high unemployment can exacerbate issues for families in transition. We have a history of responding to need from individuals, from families and from children.

Family Mediation Lothian provides:-

- **A telephone/ email based information and signposting service** for parents and the wider community of the Lothians on all issues relating to separation/divorce.
- **An intake service** designed to enable separating/divorced parents to make an informed choice, by way of a face to face or telephone meeting, as to whether to use our services and/or those provided by others.
- **Child focussed mediation services** designed to allow parents to come together, reduce conflict, resolve difficulties and negotiate on issues connected with the physical and emotional health and wellbeing of their children.
- **Child Contact Centre services**, offering supported child contact in a neutral and welcoming venue where children can meet and spend time with their non-resident parent and/or extended family members. These Centres can also be used as a beginning and ending point for contact that takes place outside the centre. Contact Centres are seen as providing a relatively short-term solution, the aim being to work towards families making their own contact arrangements when safe to do so. The Contact Centres operate in Leith, Granton, Viewforth, Musselburgh, Whitburn and Livingston.
- **Supervised Contact Services** designed to facilitate contact between children and a non-resident parent in circumstances where (for child protection and/or other reasons) this needs to take place in the presence of a supervisor.

#### **Family Mediation Outcomes**

FML works towards providing clear outcomes for parents, children and young people as a result of using our services. These outcomes link with several of the national outcomes set by the Scottish Government and in turn with local authority plans. These include National Outcome 5, 'Our children have the best start in life'; and National Outcome 8, 'We have improved the life chances for children, young people and families'.

**FAMILY MEDIATION Lothian**  
**REPORT OF THE BOARD OF DIRECTORS**

**for the year ended 31 March 2015**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Prevention** – FML works with adults to help them to understand and work through the issues arising from separation or divorce. This can lead to improved communication, prevention of more serious conflict, and in many cases a decision to work together in the best interests of their children. The most damaging symptoms of family breakdown can be prevented and conflict can be reduced.

**Early Intervention** – Family mediation is an effective form of early intervention in family breakdown. Mediation can minimise the negative impact of parental conflict by helping parents to communicate more effectively and to understand the impact of conflict on their children. The earlier this intervention takes place, the more effective the outcomes for children will be.

**Helping parents and families to develop their own solutions** – Family mediation works to empower adults to take responsibility for their futures. Mediation works on the principle of building the capacity of individuals and helping people to help themselves and their families.

FML endeavour to ensure that the quality and standards of all aspects of our service is of a consistently high standard. We measure the impact of our work; the difference it makes for the families we serve. We seek verbal and written feedback from beneficiaries and staff, gather baseline information, monitor outputs and outcomes and monitor the service against our business plan. A brief 'snap shot' of some of our client feedback includes:-

**Child Contact Clients**

- 75% of contact centre families reported that the service had improved their family situation;
- 60% contact centre clients reported that they were better at negotiating with their ex-partner about issues relating to contact

*"Brilliant service keeps the child in touch with both parents without animosity. The staff are lovely, very discreet and non-judgemental." (Resident Parent);*

*"So pleased it's here- we have no close family in Edinburgh to support us; it's the only way of resolving the situation we are in."*

**Mediation Clients**

- 98% of parents attending mediation reported that mediation helped them make their own decisions;
- 80% of parents attending mediation said communication with their ex-partner about their children has improved;
- 44% of clients made progress about child contact arrangement; 24% resolved their issues;
- 49% of clients made progress about parenting issues; 18% resolved their issues;

**FAMILY MEDIATION LoTHIAN**  
**REPORT OF THE BOARD OF DIRECTORS**  
**for the year ended 31 March 2015**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

*"It felt like FML took our issues seriously, and offered us professional assistance in a timely manner. I felt supported"*

*"The mediator used techniques that I feel I have been able to use on my own – techniques that help me see things from other angles, helping me think carefully when making decisions"*

**Other general achievements include:-**

- Continuing the funding arrangements with the Scottish Government via the Strategic Partnership Agreement with Relationships Scotland and the four Lothian Councils and attracting other funding via trust funds, general donations and charging scheme;
- Our tailor made client database is up and running;
- Our 2 trainee mediators have successfully completed their accreditation with Relationships Scotland;
- We successfully reviewed the FML Business Plan 2013 – 2016. This plan emphasises the sustaining and consolidating of Family Mediation Lothian services to make sure they continue to exist.

**FINANCIAL REVIEW**

During the last financial year, the charity recorded a net surplus on funds of £46,757 (2014: surplus £16,687).

These figures include an actuarial gain of £8,000 (2014: loss of £5,000) on the pension scheme and £2,000 (2014: £nil) of income from within the pension scheme. This amounts to a net gain on the pension scheme of £10,000 (2014: deficit £5,000), which reduced the liability from £27,000 to £17,000 in the year. Details of the valuation are more fully disclosed at note 16.

Excluding the movements on the pension scheme, the charity recorded a surplus of £38,757 (2014: £21,687).

The surplus for the year on unrestricted designated and general funds amounted to £46,757 (2014: £18,575).

**RESERVES POLICY**

The directors have decided that the charity needs to hold one year's rent, non-cancellable commitments, redundancy payments and two months running costs in reserves. This equates to a reserve balance of approximately £100,000 in general funds, after deduction of fixed assets. At present the free reserves (excluding the pension deficit) amount to £116,349.



## **FAMILY MEDIATION LoTHIAN**

### **REPORT OF THE BOARD OF DIRECTORS**

**for the year ended 31 March 2015**

#### **RISK REVIEW**

The directors actively review the major risks that the charity faces on a regular basis and believe that maintaining and, if possible, increasing reserves from current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The directors have also examined other operational and business risks faced by the charity and believe that they have established systems to manage the significant risks.

#### **PLANS FOR THE FUTURE**

FML's key Strategic objectives for the 2015 /16 year are to:-

- Continue to offer and develop our core services including Information Service, Intake, Mediation, Supported and Supervised Child Contact;
- Provide more intensive support for families using our contact centres by seeking funding from the Big Lottery;
- Deliver Parenting Apart (Parent Information Workshops) across the Lothians;
- To seek funding to offer our Children's Groups;
- Continue the implementation of our governance arrangements with a view to ensuring FML meets best practice charity management standards;
- Continue to develop quality assurance and performance evaluation frameworks in respect of the delivery of our services;
- Concentrate on building the financial strength and stability of the charity by exploring new and innovative ways to raise funds; and
- Continue to support the continuous professional development of our paid and unpaid workforce.

#### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

The directors are responsible for preparing the Report of the Board of Directors and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial period.

**FAMILY MEDIATION LOTHIAN**  
**REPORT OF THE BOARD OF DIRECTORS**  
**for the year ended 31 March 2015**

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS (continued)**

In preparing those financial statements, the directors are required to:

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

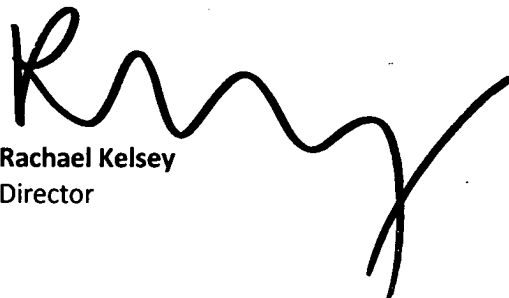
A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the directors on 17 June 2015 and signed on their behalf by:



**Suzanne Dunne**  
Company Secretary



**Rachael Kelsey**  
Director

## **FAMILY MEDIATION LoTHIAN**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS**

**for the year ended 31 March 2015**

We have audited the financial statements of Family Mediation Lothian for the year ended 31 March 2015, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Responsibilities of the Board of Directors set out on pages 7 and 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**FAMILY MEDIATION LOTHIAN**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS**

**for the year ended 31 March 2015**

**Opinion on the financial statements**

In our opinion the financial statements:-

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Board of Directors.



**David Main**

Senior Statutory Auditor

for and on behalf of Whitelaw Wells, Statutory Auditors

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9 Ainslie Place

Edinburgh

EH3 6AT

17 June 2015

**FAMILY MEDIATION LoTHIAN**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**Incorporating the INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2015**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donations	2	42,233	-	42,233	30,911
Membership income		640	-	640	1,200
Grants received	3	86,353	-	86,353	113,380
<i>Activities for generating funds</i>		-	-	-	115
<b>Incoming resources from charitable activities</b>					
Grants received	3	-	100,967	100,967	100,020
Other activities	4	28,963	-	28,963	17,160
<i>Investment income</i>					
Bank interest		686	-	686	556
Pension scheme income	16	2,000	-	2,000	-
<b>Total incoming resources</b>		<b>160,875</b>	<b>100,967</b>	<b>261,842</b>	<b>263,342</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
<i>Costs of generating voluntary income</i>		11,446	-	11,446	19,129
<b>Charitable activities</b>		-	207,784	207,784	218,826
<b>Governance costs</b>		3,855	-	3,855	3,700
<b>Total resources expended</b>	5	<b>15,301</b>	<b>207,784</b>	<b>223,085</b>	<b>241,655</b>
<b>Net income/(expenditure) for the year</b>	6	<b>145,574</b>	<b>(106,817)</b>	<b>38,757</b>	<b>21,687</b>
Transfers between funds	14	(106,817)	106,817	-	-
<b>Net incoming/(outgoing) resources for the year before other recognised gains and losses</b>		<b>38,757</b>	<b>-</b>	<b>38,757</b>	<b>21,687</b>
Gain/(loss) on defined benefit pension scheme	16	8,000	-	8,000	(5,000)
<b>Net movements in funds for the year</b>		<b>46,757</b>	<b>-</b>	<b>46,757</b>	<b>16,687</b>
Total funds at 1 April 2014		60,135	-	60,135	43,448
<b>Total funds at 31 March 2015</b>	14	<b>106,892</b>	<b>-</b>	<b>106,892</b>	<b>60,135</b>

The company has no recognised gains or losses other than the results for the year as set out above. All of the activities are classed as continuing. The notes on pages 13 to 23 form part of the financial statements.

# FAMILY MEDIATION LoTHIAN

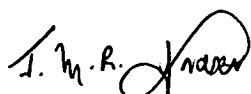
## BALANCE SHEET

as at 31 March 2015

	Notes	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible assets	9		-	-
<b>Current assets</b>				
Debtors	10	31,078		30,126
Cash at bank and in hand		120,674		81,967
		151,752		112,093
<b>Creditors: amounts falling due within one year</b>	11	(27,860)		(24,958)
<b>Net current assets</b>			123,892	87,135
<b>Net assets excluding pension asset/(liability)</b>			123,892	87,135
Pension asset/(liability)	16	(17,000)		(27,000)
<b>Net assets</b>	13		106,892	60,135
<b>Funds</b>				
Unrestricted:				
Designated funds	14	7,543		7,543
General fund	14	116,349		79,592
Pension reserve	14	(17,000)		(27,000)
Restricted funds	14	-		-
<b>Total funds</b>			106,892	60,135

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the members of the board on 17 June 2015 and are signed on their behalf by:



**James Fraser**  
Director

## **FAMILY MEDIATION LoTHIAN**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

#### **1. Accounting policies**

##### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice issued in March 2005.

##### **(b) Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and membership income and is included in full in the Statement of Financial Activities when receivable. Where entitlement is not conditional on the delivery of a specific performance by the charity, grants are recognised when the charity becomes unconditionally entitled to the income.
- Incoming resources from activities for generating funds is included when receivable.
- Income from charitable activities includes income from activities or grants where entitlement is subject to specific performance conditions and is recognised as earned (as the related service is provided). Grant income included in this category provides funding to support specific charitable activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- Investment income is included when receivable.
- Membership income is deferred where fees are paid in advance. Grant income is deferred where the funder specifies that the grant is for a future period or where entitlement has not yet been achieved.
- The value of services provided by volunteers is not incorporated into these financial statements.

##### **(c) Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. The company is not registered for VAT and, accordingly, any VAT incurred is reported as part of expenditure to which it relates:

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Where costs cannot be directly allocated to an activity they are allocated based on estimated staff time.

# FAMILY MEDIATION LoTHIAN

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 1. Accounting policies (continued)

#### (d) Fixed assets

Fixed assets are initially recorded at cost. Only assets costing in excess of £500 are capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Office equipment	- 3 years straight line
Fixtures and fittings	- 4 years straight line

#### (e) Fund accounting

Unrestricted funds are donations and other incoming resources generated for the objects of the charity without further specified purpose, and are available as general funds. Designated funds are unrestricted funds that have been earmarked by the directors for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

#### (f) Pensions

The charity contributes to employee personal or stakeholder pension plans. Pension costs charged in the Statement of Financial Activities represent contributions payable by the charity in the year.

In addition, the charity is a participating employer in a final salary scheme in respect of one former employee, as described at Note 16. The charity makes no contributions to the scheme and accounts for annual scheme valuations in accordance with FRS17 Retirement Benefits.

### 2. Donations

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
General donations	8,197	-	8,197	6,321
Mediation donations	7,248	-	7,248	6,590
Balfour Manson	2,702	-	2,702	-
Christina Mary Hendrie Trust	5,000	-	5,000	-
Cruden Foundation	-	-	-	1,000
Edinburgh Bar Association	1,000	-	1,000	1,000
Inchrye Trust	500	-	500	1,000
Nancie Massey Charitable Trust	2,000	-	2,000	-
Robertson Trust	15,000	-	15,000	15,000
St Mary's Church	586	-	586	-
	<hr/>	<hr/>	<hr/>	<hr/>
	42,233	-	42,233	30,911
	<hr/>	<hr/>	<hr/>	<hr/>



# FAMILY MEDIATION LoTHIAN

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

### 3. Grants

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
<i>Voluntary income</i>				
Scottish Government – Core	86,353	-	86,353	93,380
Anonymous	-	-	-	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
	86,353	-	86,353	113,380
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Incoming resources from charitable activities</i>				
City of Edinburgh Council	-	70,519	70,519	70,532
West Lothian Council	-	16,373	16,373	16,373
East Lothian Council	-	9,740	9,740	8,780
Midlothian Council	-	4,335	4,335	4,335
	<hr/>	<hr/>	<hr/>	<hr/>
	-	100,967	100,967	100,020
	<hr/>	<hr/>	<hr/>	<hr/>
	86,353	100,967	187,320	213,400
	<hr/>	<hr/>	<hr/>	<hr/>

### 4. Other activities

All Issues Mediation	290	-	290	113
Contact Centre Set-up	11,063	-	11,063	5,820
Contact Centre Reports	4,545	-	4,545	2,175
Supervised Contact	13,065	-	13,065	9,052
	<hr/>	<hr/>	<hr/>	<hr/>
	28,963	-	28,963	17,160
	<hr/>	<hr/>	<hr/>	<hr/>

**FAMILY MEDIATION LoTHIAN**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2015**

**5. Total resources expended**

	Voluntary Income £	Intake Service £	Mediation Service £	Contact Service £	Governance Costs £	2015 Total £	2014 Total £
<b>Directly allocated</b>							
Fundraising	776	-	-	-	-	776	429
Contact centre costs	-	-	5,016	-	-	5,016	3,716
Auditors' remuneration	-	-	-	-	3,480	3,480	3,480
Annual report/AGM	-	-	-	-	375	375	220
<b>Indirectly allocated</b>							
Membership and subscriptions	39	241	210	287	-	777	796
Training	100	618	539	738	-	1,995	4,253
Volunteer and staff travel	43	264	230	315	-	852	1,376
Interpretation costs	-	-	-	-	-	-	229
Education and publicity	-	-	-	-	-	-	332
Staff costs (Note 7)	8,421	52,212	45,475	62,317	-	168,425	172,200
Rent and service charges	801	4,964	4,324	5,925	-	16,014	22,856
Rates and water	106	657	572	784	-	2,119	2,273
Cleaning	118	733	639	875	-	2,365	2,481
Light and heat	50	311	271	372	-	1,004	1,542
Insurance	80	499	434	596	-	1,609	1,430
Repairs and maintenance	57	350	305	418	-	1,130	7,632
Telephone	191	1,184	1,031	1,414	-	3,820	3,148
Postage, printing and stationery	543	3,369	2,934	4,022	-	10,868	11,131
Legal and professional fees	25	156	136	186	-	503	506
Other costs	96	594	559	708	-	1,957	1,625
	<u>11,446</u>	<u>66,152</u>	<u>54,140</u>	<u>78,957</u>	<u>3,855</u>	<u>223,085</u>	<u>241,655</u>

# **FAMILY MEDIATION LoTHIAN**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

### **6. Net incoming resources for the year**

This is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration – Audit fee	2,280	2,280
Accountancy services	1,200	1,200
	<u>          </u>	<u>          </u>

### **7. Staff costs**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Gross wages and salaries	157,827	161,483
Employer national insurance	7,807	7,925
Employer pension contributions	2,791	2,792
	<u>          </u>	<u>          </u>
Total staff costs	168,425	172,200
	<u>          </u>	<u>          </u>

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Average number of full time equivalent employees	4	4
Sessional staff	27	26
	<u>          </u>	<u>          </u>

No employee received emoluments of more than £60,000 in either the current or previous years.

No director received remuneration from the charity nor was reimbursed for expenses. The charity paid £650 (2014: £650) for the purchase of indemnity insurance to protect the charity from loss arising from the neglect or default of its directors, employees or other officers.

### **8. Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

**FAMILY MEDIATION LoTHIAN**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**9. Tangible fixed assets**

	<b>Office Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2014	17,588	1,768	19,356
Disposals	(3,060)	-	(3,060)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	14,528	1,768	16,296
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 2014	17,588	1,768	19,356
Disposals	(3,060)	-	(3,060)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	14,528	1,768	16,296
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2015	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2014	-	-	-
	<hr/>	<hr/>	<hr/>

**10. Debtors**

	<b>2015 £</b>	<b>2014 £</b>
Service debtors	10,687	4,212
Grants receivable	12,000	21,425
Other debtors and prepayments	8,391	4,489
	<hr/>	<hr/>
	31,078	30,126
	<hr/>	<hr/>

**FAMILY MEDIATION LoTHIAN**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**11. Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Creditors	1,457	1,981
PAYE and NI	2,741	2,886
Pension	477	489
Accruals	23,185	19,602
	<hr/>	<hr/>
	27,860	24,958
	<hr/> <hr/>	<hr/> <hr/>

**12. Operating lease commitments**

At 31 March 2015 the charity had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and Buildings</b>	<b>Office Equipment</b>	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases that expire in:				
Within 1 year	15,360	-	15,360	15,360
2 – 5 years	-	2,567	2,567	2,928
	<hr/>	<hr/>	<hr/>	<hr/>
	15,360	2,567	17,927	18,288
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**13. Analysis of net assets between funds**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Current assets	129,212	22,540	151,752
Current liabilities	(5,320)	(22,540)	(27,860)
Pension liability	(17,000)	-	(17,000)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2015	106,892	-	106,892
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# FAMILY MEDIATION LoTHIAN

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

14. Movement in funds	At 1 April 2014 £	Incoming Resources £	Outgoing Resources £	Transfers £	Gains/ (Losses) £	At 31 March 2015 £
<b>Restricted funds</b>						
CEC – Mediation Service	-	70,519	(120,515)	49,996	-	-
West Lothian – Worker	-	16,373	(39,479)	23,106	-	-
East Lothian	-	9,740	(27,012)	17,272	-	-
Midlothian	-	4,335	(20,778)	16,443	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	-	100,967	(207,784)	106,817	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Unrestricted funds</b>						
Designated funds:						
<i>Dilapidation fund</i>	3,000	-	-	-	-	3,000
<i>Property repair/replacement</i>	4,543	-	-	-	-	4,543
General fund	79,592	158,875	(15,301)	(106,817)	-	116,349
Pension reserve	(27,000)	2,000	-	-	8,000	(17,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	60,135	160,875	(15,301)	(106,817)	8,000	106,892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	60,135	261,842	(223,085)	-	8,000	106,892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The transfers to restricted funds represent an allocation of the unrestricted core Scottish Government grant to individual restricted projects.

### Purpose of designated funds

The directors have designated funds for potential dilapidation costs at the end of the lease term.

The Property Repair and Replacement Fund has been designated as a contingency for general property repairs.

The Pension reserve represents the surplus/(deficit) on the defined benefit pension scheme, as disclosed in note 16.

## **FAMILY MEDIATION LoTHIAN**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

#### **14. Funds (continued)**

##### Purpose of restricted funds

This is the final year of a three year contract with the City of Edinburgh Council to provide the range of Family Mediation Lothian's services throughout the Edinburgh City area i.e. intake, family mediation and contact centre services. West Lothian Council, Midlothian Council and East Lothian Council also gave grants to part fund Family Mediation Lothian to deliver a range of services for clients in their areas.

#### **15. Related party transactions**

There were no related party transactions during the year.

#### **16. Pensions**

The charity is a participating employer in respect of one former employee in the Lothian Pension Fund ("The Scheme"), which provides benefits based on final pensionable pay (i.e. defined benefit scheme). The assets of the Scheme are held separately from those of the charity. Contributions would be charged to the Statement of Financial Activities. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out at 31 March 2015 by a qualified independent actuary.

**The major assumptions used by the actuary were:**

	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>% per annum</b>	<b>% per annum</b>
Inflation/Pension Increase	2.1%	2.6%
Salary Increases	4.0%	4.9%
Expected Return on Assets	3.1%	6.1%
Discount Rate	3.1%	4.1%

**FAMILY MEDIATION LoTHIAN**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**16. Pensions (continued)**

**The employer's share of the assets in the scheme and the expected rate of return were:**

	<b>Long Term Return at 31/03/15 (%p.a)</b>	<b>Value at 31/03/15 £</b>	<b>Long Term Return at 31/03/14 (%p.a)</b>	<b>Value at 31/03/14 £</b>
Equities	3.1%	108,000	6.6%	109,000
Bonds	3.1%	27,000	3.9%	13,000
Property	3.1%	13,000	4.8%	11,000
Cash	3.1%	9,000	3.7%	9,000
Total market value of assets	3.1%	157,000	6.0%	142,000
Present value of scheme liabilities		(174,000)		(169,000)
Surplus/(deficit) in the scheme		(17,000)		(27,000)

The most recent valuation showed that the market value of the scheme's liabilities was £174,000 (2014: £169,000) and that the actuarial value of these assets represented 90.2% (2014: 84.0%) of the benefits that had accrued to members, after allowing for expected future increases in earnings.

<b>Analysis of amount credited to investment income:</b>	<b>2015 £</b>	<b>2014 £</b>
Expected return on pension scheme assets	9,000	7,000
Interest on pension scheme liabilities	(7,000)	(7,000)
Net return	2,000	-
<b>Actuarial gain/(loss) recognised in the Statement of Financial Activities:</b>	<b>2015 £</b>	<b>2014 £</b>
Actual return less expected return on pension scheme assets	8,000	(5,000)
Actuarial gain/(loss) recognised in the Statement of Financial Activities	8,000	(5,000)



**FAMILY MEDIATION LOTHIAN**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2015**

**16. Pensions (continued)**

<b>Movement during the year:</b>	<b>2015 £</b>	<b>2014 £</b>
Asset/(liability) at beginning of year	(27,000)	(22,000)
<u>Movement in year:</u>		
Current service gain/(cost)	-	-
Employer contributions	-	-
Past service gain/(cost)	-	-
Net return on assets	2,000	-
Actuarial gain/(loss)	8,000	(5,000)
	<hr/>	<hr/>
Asset/(liability) at end of year	(17,000)	(27,000)
	<hr/>	<hr/>

The full actuarial valuation at 31 March 2015 showed a reduction in the liability from £27,000 to £17,000.

**History of experience gains and losses:**

	<b>2015 £</b>	<b>2014 £</b>
Experience gains/(losses) arising on the scheme assets	6,000	1,000
Total present value of assets	157,000	142,000
Percentage of total value of assets	3.8%	0.7%
Experience gains/(losses) arising on the scheme liabilities	19,000	-
Total present value of liabilities	174,000	169,000
Percentage of the total present value of liabilities	10.9%	0.0%