

**Families Outside**

**Financial statements**

**31 March 2004**

**Charity Number SCO 025366  
Company Number SC 236539**



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## Office bearers and professional advisers

<b>The Board of Directors</b>	Lady Cullen of Whitekirk	(Chairman)
	Kate Philbrick	(Vice Chairman)
	Tom Buyers	(Treasurer until October 2003)
	Mairi McReynolds	(Treasurer from October 2003)
	John McCauley	Gingerbread
	Sue Brookes	HMP Cornton Vale
	Joe Connolly	NCH Action for Children
	Hugh Mackintosh	Barnardo's (resigned February 2004)
	Bernadette Monaghan	APEX Scotland
	Ian Patrick	Salvation Army
	Ian Tierney	HOPE
	Diana Deeney	Individual
	June Cowan	Individual
	Brian Gowans	Individual
	Laura Sutherland	Individual
<b>Company Secretary</b>	Angela Morgan	
<b>Registered Office</b>	19a Albany Street Edinburgh EH1 3QN	
<b>Auditors</b>	Henderson Loggie 10 Great Stuart Street EDINBURGH EH3 7TN	
<b>Bankers</b>	Royal Bank of Scotland plc 239 St John's Road Edinburgh EH12 7XB	

## **Directors' report**

*for the year ended 31 March 2004*

The directors present their report and the financial statements of the Company for the period ended 31 March 2004.

### **Objectives of the company**

The company's objects are the relief of poverty, and of hardship, suffering and distress, among partners, children and dependants of persons who have suffered a legal restriction on their liberty in any penal or correctional establishment or through any means whatsoever.

### **Mission**

The company exists to work for the well being of families affected by imprisonment in Scotland. The company works in conjunction with the Scottish Prison Service and statutory and voluntary agencies throughout Scotland.

### **Constitution**

The company was established by a constitution dated 28 August 1996 and governed by a management committee. The company converted to a company limited by guarantee on 9 September 2002. A resolution was made to transfer the whole of the assets and undertakings of Scottish Company on Prisons and Families to Families Outside, the new limited company. This became effective on 1 October 2002.

### **Work**

The company's published annual report gives a comprehensive account of its work with families affected by imprisonment.

The Directors recognise that this year has consolidated the progress started in the previous period and would highlight the securing of new sources of funding which have improved the financial stability of the organisation. Income has doubled in this period. Significant events during the year include the move of office to more suitable and cost efficient premises, development of new publicity, a successful AGM at which our research into travel problems for family members was launched, contributions to a number of national criminal justice events and the beginning of a joint project with Tayside Criminal Justice Partnership surveying families' needs.

One disappointment has been the delay in implementing the teenager project work for which we had been awarded money by the Diana Memorial Fund which has been frozen due a legal challenge to the Funds. However we have been able to negotiate a satisfactory agreement with the Fund to utilise deferred additional project monies for the essential core costs they had committed to and the Director has pursued the original objectives of the project through building relationships with, for example, the Police.

Our core activity remains the Scottish Prisoners Families Helpline which has shown a 33% increase in calls received (2002/03:1,200, 2003/04: 1,700). Developing and maintaining good relationships with staff of SPS and other agencies continues to be essential to ensure that the Helpline provides the most effective service to callers.

Internally we have continued to improve our systems and our efficiency in order to demonstrate sound governance and administrative practice.

### **Volunteers**

We are greatly indebted to the volunteers who have supported the Scottish Prisoners Families Helpline for their commitment.

## **Directors' report** *(continued)*

### **Grants received**

The company is grateful to the following for their grants and donations received over the year:

The Diana, Princess of Wales Memorial Fund  
The Tudor Trust  
Scottish Prison Service  
Governors from Scottish Prison Service (Common Good Fund)  
The Robertson Trust  
The Esmee Fairbairn Foundation  
The Gannochy Trust  
The Lankelly Foundation

### **Risk management**

The Board have adopted a process for the ongoing assessment of possible risks to the organisation and have developed actions and countermeasures to reduce these risks and their likely impact. The risk framework is subject to regular review and updating. The Board are therefore satisfied that systems and actions are in place to mitigate our exposure to major risks.

### **Reserves policy**

The unrestricted fund represents the free reserves of the company arising from past operating results. The Board would like to apply 'best practice' and build up the free reserves to a level which would cover at least three months operating activity, although they recognise that this has not yet proved possible.

### **Responsibilities of the directors**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

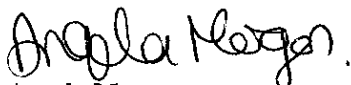
In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 with The Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to appoint auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985.

Signed by order of the Directors



**Angela Morgan**  
*Company Secretary*

Registered office:  
19a Albany Street  
Edinburgh  
8 September 2004



# HENDERSON LOGGIE

Chartered Accountants

## Independent auditors' report to the trustees of Families Outside

We have audited the financial statements of Families Outside for the year ended 31 March 2004 which comprise the income and expenditure account incorporating the statement of financial activities, the balance sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the directors, as a body, in accordance with the Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the directors those matters that we are required to state to them in an auditors' 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 Trust and the directors as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and Auditors

The directors also act as trustees for the charitable activities of Families Outside. Their responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Henderson Loggie*

Henderson Loggie  
Chartered Accountants  
Registered Auditors  
Edinburgh

8 September 2004

**Statement of financial activities (Incorporating Income and Expenditure Account)**  
*for the year ended 31 March 2004*

	<i>Note</i>	2004 Unrestricted Funds £	2004 Restricted Funds £	2004 Total Funds £	2003 Total Funds £
<b>Incoming resources</b>					
Donations		4,636	-	4,636	1,000
<i>Activities on furtherance of the company's objects:</i>					
Grants	2	36,551	78,684	115,235	63,126
<i>Activities for generating funds:</i>					
Trading activities		-	-	-	326
Membership		680	-	680	777
Interest receivable		722	-	722	264
Miscellaneous income		1,938	-	1,938	
<b>Total incoming resources</b>		<b>44,527</b>	<b>78,684</b>	<b>123,211</b>	<b>65,493</b>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
Fundraising and publicity		118	-	118	188
<i>Costs of activities in furtherance of charitable objectives</i>					
Support work		29,477	69,046	98,523	34,418
Management and administration		10,115	13,987	24,102	9,572
		1,400	972	2,372	844
<b>Total resources expended</b>		<b>41,110</b>	<b>84,005</b>	<b>125,115</b>	<b>45,022</b>
<b>Net (outgoing)/incoming resources for the period</b>		<b>3,417</b>	<b>(5,321)</b>	<b>(1,904)</b>	<b>20,471</b>
Balances brought forward at 31 March 2003		6,879	29,654	36,533	16,062
<b>Balances carried forward at 31 March 2004</b>		<b>10,296</b>	<b>24,333</b>	<b>34,629</b>	<b>36,533</b>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

**Balance sheet**  
*at 31 March 2004*

	<i>Note</i>	<b>12 months to 31 March 2004</b>	<b>6 months to 31 March 2003</b>
		£	£
<b>Fixed assets</b>			
Tangible assets	5	3,613	4,342
<b>Current assets</b>			
Debtors	6	4,282	2,278
Cash at bank		32,321	63,870
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	7, 8	<b>36,603 (5,587)</b>	<b>66,148 (33,957)</b>
		<hr/>	<hr/>
<b>Net current assets</b>		<b>31,016</b>	<b>32,191</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>34,629</b>	<b>36,533</b>
		<hr/>	<hr/>
<b>Funds</b>			
Unrestricted		10,296	6,879
Restricted	9	24,333	29,654
		<hr/>	<hr/>
	10	<b>34,629</b>	<b>36,533</b>
		<hr/>	<hr/>

These financial statements were approved by the Board on 8 September 2004 and are signed on their behalf by:

*Kate Philbrick*

**Kate Philbrick**  
Vice Chairman

## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards and on Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in October 2000.

#### *Donations*

Donations are included in the year in which they are receivable, which is when the company becomes entitled to the resource.

#### *Grants*

Grants receivable are credited in the year for which they are received.

#### *Depreciation*

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment – 25% straight line

#### *Expenditure*

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The company is not registered for VAT and accordingly costs are shown gross of irrecoverable VAT.

#### *Funds*

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the company without further specified purpose and are available as general funds.

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

#### *Deferred income*

Grants received during the period but relating to a future accounting period are included under deferred income.

### 2 Grants receivable

	Unrestricted	Restricted	12 months to 31 March 2004	6 months to 31 March 2003
	£	£	£	£
The Diana, Princess of Wales Memorial Fund	-	19,750	19,750	20,750
The Tudor Trust	-	17,134	17,134	26,366
Scottish Prison Service	17,001	-	17,001	8,500
SPS Common Good Fund	4,550	-	4,550	5,510
The Robertson Trust	-	8,000	8,000	2,000
The Esmée Fairbairn Foundation	-	18,800	18,800	-
The Gannochy Trust	15,000	-	15,000	-
The Lankelly Foundation	-	15,000	15,000	-
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	36,551	78,684	115,235	63,126
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**Notes** (continued)

**3 Net incoming resources for the year/period**

	12 months to 31 March 2004 £	6 months to 31 March 2003 £
<i>This is stated after charging:</i>		
Depreciation	2,129	1,131
Auditors' remuneration	877	650
	<hr/>	<hr/>

**4 Staff costs and numbers**

	12 months to 31 March 2004 £	6 months to 31 March 2003 £
Wages and salaries	61,427	23,605
Social security costs	5,942	-
	<hr/>	<hr/>
	67,369	23,605
	<hr/>	<hr/>

No employee received emoluments of more than £50,000. No trustees received remuneration in the current year or preceding period. Reimbursement of expenses paid to trustees in the year was nil (2003 £nil).

The average weekly number of employees during the year/period, calculated on a full time equivalent was as follows:

	12 months to 31 March 2004 £	6 months to 31 March 2003 £
Staff	3	3
	<hr/>	<hr/>

**5 Tangible fixed assets**

<i>Cost</i>		£
At beginning of year		7,410
Additions		1,509
Disposals		(404)
		<hr/>
At end of year		8,515
		<hr/>
<i>Depreciation</i>		
At beginning of year		3,068
Charge for the year		2,128
Disposals		(294)
		<hr/>
At end of year		4,902
		<hr/>
<i>Net book value</i>		
At 31 March 2004		3,613
		<hr/>
<i>Net book value</i>		
At 31 March 2003		4,342
		<hr/>

## Notes (continued)

### 6 Debtors

	12 months to 31 March 2004 £	6 months to 31 March 2003 £
Prepayments	792	2,278
Accrued income	3,491	-
	<u>4,283</u>	<u>2,278</u>

### 7 Creditors: Amounts falling due within one year

	12 months to 31 March 2004 £	6 months to 31 March 2003 £
Bank loans and overdrafts	-	270
Accruals	3,703	4,303
Tax and social security	1,884	-
Deferred income	-	29,384
	<u>5,587</u>	<u>33,957</u>

### 8 Deferred income

	£	£
Diana Memorial Fund	-	6,250
Tudor Trust	-	17,134
Robertson Trust	-	6,000
	<u>-</u>	<u>29,384</u>

### 9 Restricted Funds

	Balance at 31 March 2003 £	Incoming £	Outgoing £	Balance at 31 March 2004 £
The Tudor Trust Fund	2,506	17,134	(19,640)	-
Lloyds TSB Foundation	144	-	(144)	-
The Robertson Trust	-	8,000	(8,000)	-
The Diana, Princess of Wales Memorial Fund:				
Director/Advocacy Project	20,713	19,750	(19,750)	20,713
Diana Developments	6,291	-	(2,671)	3,620
Esmée Fairbairn Foundation	-	18,800	(18,800)	-
The Lankelly Trust	-	15,000	(15,000)	-
	<u>29,654</u>	<u>78,684</u>	<u>(84,005)</u>	<u>24,333</u>

## Notes (continued)

### 9 Restricted Funds (continued)

The Tudor Trust fund was set up to help with costs specifically geared towards the Scottish Prisoners Families Helpline.

The Diana, Princess of Wales Memorial Funds were established to fund a three year advocacy and awareness raising project to take forward the recommendations of research (also supported by the fund) into the impact of imprisonment of a relative on teenagers. Due to the uncertainty of further tranches of funding becoming available, original expenditure allocations have been revised with the agreement of the Fund in order to ensure that essential spend commitments are maintained whilst additional project work is delayed.

### 10 Net assets reconciliation

	Unrestricted £	Restricted £	Total £
Fixed assets	-	3,613	3,613
Net current assets	10,629	20,720	31,016
	<hr/>	<hr/>	<hr/>
	10,629	24,333	34,629
	<hr/>	<hr/>	<hr/>

### 11 Company limited by guarantee

The directors have each agreed to contribute £1 in the event of the company being wound up.