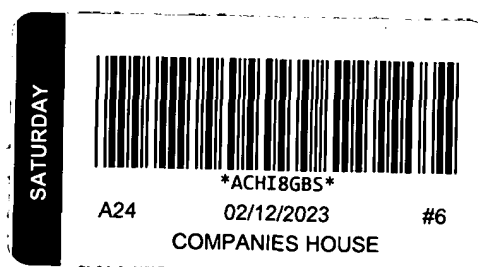


Families Outside

Annual report and financial statements

31 March 2023

Charity Number SC025366
Company Number SC236539



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Reference and Administrative details

Scottish Charity No.	SC025366
Company No.	236539
Registered address	17 Gayfield Square Edinburgh EH1 3NX
Company Secretary	Prof Nancy Loucks OBE

Board of Trustees

Linda Bendle	(Chair)	
David Mackie	(Vice Chair)	
Douglas Middleton	(Treasurer)	<i>appointed on 22 September 2022</i>
Asha Anderson	(Individual)	
Kim Arbuckle	(Individual)	<i>appointed on 22 September 2022</i>
Mark Bell	(Individual)	
Jane Browne	(Individual)	
Verity Caiger	(Individual)	
Phil Mackie	(Individual)	<i>appointed on 22 September 2022</i>
Kerry Morgan	(Individual)	
Wendy Sinclair-Gieben	(Individual)	<i>appointed on 22 September 2022</i>
Jandy Stevenson	(Individual)	
Kevin Havelock	(Treasurer)	<i>resigned on 22 September 2022</i>
Andrew Fraser	(Individual)	<i>resigned on 22 September 2022</i>
Richard Murray	(Individual)	<i>resigned on 22 September 2022</i>

Auditor	Henderson Loggie LLP Ground Floor, 11-15 Thistle Street Edinburgh EH2 1DF
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Bankers	Royal Bank of Scotland plc 239 St. John's Road Edinburgh EH12 7XB
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Trustees' report

1. Structure, Governance, and Management

- Nature of governing document

The governing document for the charity is a memorandum and articles of association, and the charity is constituted as a company limited by guarantee.

- Decision making structure

The Trustees decide the strategic direction for the charity and approve a Strategic Plan and the annual budget.

The Chief Executive is delegated day-to-day management and implementation responsibility for the strategy and expenditure within the budget limits. Progress is monitored through two quarterly committees:

1. Risk & Audit Committee – covering key areas of financial probity, audit and accountability.
2. Organisational Development Committee – covering key areas of legal and good practice in human resources procedures, health and safety, and organisational practice.

Both committees include the office bearers and report to the full Board of Trustees.

- Appointment of trustees

Members of the Board of Trustees are categorised as individuals. Institutions, organisations, or other bodies are not eligible to be members of the Board of Trustees. The number of members of the Board of Trustees shall not be less than six and no more than twelve.

Two non-voting Observers from key statutory stakeholders are invited to attend meetings of the Board of Trustees.

- Policies and procedures for induction and training of trustees

New Trustees are inducted by the Chairman and Chief Executive of the charity and are provided key documents outlining their governance roles and responsibilities.

- Remuneration of key management personnel

Families Outside considers the following individuals constitute key management of the organisation:

- a. Chief Executive
- b. Head of Resource & Development
- c. Head of Family Support
- d. Head of External Engagement

Trustees' report (continued)

Structure, Governance, and Management (continued)

The management structure aligns with our long-term key objectives (see section 2 below), whereby there is a Chief Executive and three Heads of departments:

- a. Head of Family Support
- b. Head of External Engagement
- c. Head of Resources & Development

Families Outside continues to use a pay scale system based on, but not aligned or tied to, the SJC salary scales used by COSLA. Cost-of-living increases on each point on the charity's scale are normally set at 1% per annum. Salaries for management and all other staff are reviewed annually in March of each year. At this time staff may be paid a scale point and/or cost-of-living increase within the limits of the individual's scale threshold.

In 2022/2023, staff were provided with a point increase (where applicable) and a 3% cost-of-living increase.

Given the ongoing cost-of-living crisis within the UK economy that has impacted both the year 2022/2023 and the 2023/2024, Families Outside opted on 1st April 2023 to award staff an enhanced remuneration package. This was made up of the following elements:

- Those eligible will receive an incremental point increase on their salary scale.
- A variable cost-of-living % increase will be awarded to all staff, varying between 2-5%, depending where on the salary scale their post is positioned.
- A one-off non-consolidated allowance at £1,000 pro rata for each staff member.

Salary increases pertaining to the first two points are still always subject to:

- a. Excellent appraisal and performance evaluations for the year;
- b. The staff member's compliance with the organisation's Code of Conduct;
- c. The financial constraints of the organisation; and
- d. The staff member having been in post for at least 6 months of the current financial year.

• Risk management

The Board of Trustees has adopted a process for the ongoing assessment of possible risks to the organisation and has developed actions and countermeasures to reduce these risks and their likely impact.

The risk framework is subject to regular review and bi-annual updating.

The Board is therefore satisfied that systems and actions are in place to mitigate our exposure to major risk.

Trustees' report (continued)

Structure, Governance, and Management (continued)

With a regular quarterly review of the organisational risk register taking place, the hierarchy of individual risks to Families Outside will adjust depending on financial, economic, and social factors at the time in question. We have outlined the three risks that Families Outside currently considers to be our principal challenges, along with the countermeasures we have in place to address these risks.

- a. Recruit, train, and retain competent staff and volunteers, or to maintain staff and volunteer motivation, morale, and wellbeing.

Controls:

- i. During recruitment, ensure incoming staff have the appropriate initial skillset for the position being filled.
 - ii. Offer of attractive employment package, including competitive salary that is at least commensurate with each individual role.
 - iii. Provide training and development opportunities, and evaluate the benefits in support of the business, staff, and volunteers.
 - iv. Use support, supervision, and appraisal meetings, and team meetings to monitor staff wellbeing and allow airing of concerns.
 - v. Having specific volunteer policies and procedures in place to support volunteer recruitment, training, and retention.
 - vi. Maintain and manage organisational credibility, funding base, and public profile.
 - vii. Have appropriate human resources support, health & safety and fire annual risk assessments, and relevant policies in place.
- b. Secure funding and resources to maintain and develop both the organisation and the delivery of quality outcomes.

Controls:

- i. Apply to a range of funds in an ongoing and timeous manner, monitored by Risk & Audit Committee.
- ii. Strict contract management of external fundraising bodies.
- iii. Maintain and manage public profile and reputation.
- iv. Robust monthly budgeting process, aware of required income.
- v. Monitor efficiency savings and implementation of cost cutting where possible, and if necessary.
- vi. Tailor fund applications to changing requirements of funders, aligning with their priorities.
- vii. Ensure process is in place if funding not secured (reserves policy and winding down exercise).
- viii. Fraud prevention reviewed at quarterly Risk & Audit Committee.

Trustees' report (continued)

Structure, Governance, and Management (continued)

- c. Illness en masse, epidemic, pandemic, or force majeure that prevents the organisation carrying out business, either partially or entirely.

Controls:

- i. Process in place to allow staff to revert to home working.
- ii. Establish transferable skills among staff, allowing cover of another role or certain responsibilities of that role.
- iii. Contact funders and suppliers to communicate the position the organisation is in, establishing financial implications in terms of continuation or termination of income.
- iv. Prioritise families at higher risk / in need of most support.
- v. Insurance cover is in place for the short- or long-term stoppage of the organisation's business.
- vi. Focus return to work plan on regular H&S assessment that accounts for change to working practice and phased staff return.

2. Objectives and Activities

During the year, Families Outside reviewed and revised its Strategic Plan, creating a new version for 2023-2026.

Families Outside works to improve outcomes for children and families affected by imprisonment in Scotland, creating and promoting opportunities for families to uphold and defend their rights. The company carries out this purpose through aiding the relief of poverty, hardship, suffering, and distress among partners, children, and dependents of persons involved within the criminal justice system.

Families Outside is the only national organisation that works exclusively on behalf of children and families affected by imprisonment in Scotland. We exist because imprisonment of a family member has a negative impact on the social, emotional, financial, and (for children and young people) educational development of the remaining family members, leading to disadvantage, exclusion, and increased risk of future offending and imprisonment. Our vision is for all children and families affected by imprisonment to be treated with justice and fairness so that they can live lives free from stigma and disadvantage. We seek to ensure that these families are afforded the recognition, respect, and compassion they need to alleviate the disadvantages they face due to this experience, also enabling them, where appropriate, to provide support to their relative in prison and on release.

The charity's strategic aims are:

- A. **Expertise & Thought Leadership** - we will be global experts in raising awareness of the impact of imprisonment, driving improvement and innovation in family support.
- B. **Influencing Policy & Practice** - we will be thought leaders, influencing and changing policy and practice to effect positive change and equity for all families affected by imprisonment.

Trustees' report (continued)

Objectives and Activities (continued)

- C. **Support & Information Service Excellence** - we will be global leaders in providing excellence in family support to ensure human rights are upheld and defended.

To achieve our strategic aims, our work focuses on:

- a. **Short-term change** via immediate support to address the emotional, financial, and physical impact of imprisonment on the families left behind
- b. **Medium-term change** through increased awareness amongst universal services, key professionals, and interest groups likely to be in contact with families
- c. **Long-term change** through improvement of policy and practice

Our high-level strategic objectives are therefore to:

- Build our offering of support, particularly family to family support.
- Change the narrative in Scotland around the stigma of a family member's imprisonment, recognising the detrimental impact this has on the children and families we support, on their likelihood to seek support, and on wider policy and practice.
- Improve our training offer to lawyers and the judiciary, embedding an awareness of the UN Convention on the Rights of the Child and its implications in adult criminal courts.
- Embed an awareness throughout practice and decision-making of the impact of imprisonment on the children and families left behind.
- Promote a Scotland in which the rights of children and families affected by imprisonment are embedded and upheld, and the right supports are in place for them.

These aims are essential and ongoing and are facilitated by specific activities that Families Outside is engaged in during the year. These activities help us to achieve our long-term key objectives and include the following:

- Ongoing core activities:
 - Regional support: We offer direct support to children and families affected by imprisonment throughout Scotland through our Regional Family Support Coordinators (RFSCs). In 2022/2023, our Regional Family Support Team supported 352 families. Overall, this amounted to support for 670 individuals (371 adults and 299 children and young people) in which 7,459 contacts were received from in 2022/2023 - an average of 21.3 contacts per family. This represents a decrease in families supported by 6.6% on levels from 2021/2022.
 - Helpline: We provide a national freephone Support & Information Helpline, email and text support, and webchat service, supporting 1,351 families (or professionals working with them). Overall, this amounted to support both direct and indirect for 1,876 individuals (1,476 adults/400 C&YP) in which 3,041 contacts were received from in 2022/2023 - an average of 2.2 contacts per family. This represents an increase in families supported by 13.4% on levels from 2021/2022.

Trustees' report (continued)

Objectives and Activities (continued)

- Our previous group work and peer support model stopped in summer 2022 and was replaced by our new 'Support & Participation' model, which has required recruitment and began in early 2023. During the year, under our previous group work and peer support model we saw 72 people participate in online or in-person activity sessions in 2022/2023. We also continued to support the Denis Law Legacy Trust in Aberdeen to engage with children, young people, and adults in StreetSport project activities.
- Regional contact: Our RFSCs link on a regional basis with prisons, Local Authorities, and locally-based statutory and voluntary services. This ensures we have local knowledge, regional input to development of policy and practice, and identifiable staff members for referrals from local contacts;
- Training/awareness-raising: we offer training to prison staff, teachers, police, Children's Panel Members, social workers, social work and psychology students, health professionals, and more. This includes training on child protection and the impact of imprisonment on children. In a normal year, we provide training to about 3,000 participants each year throughout Scotland and beyond. In 2022/2023, our CPD UK accredited training modules were provided alongside our less formal awareness-raising sessions. In total, our formal training and informal awareness-raising reached 4,187 participants, an increase on the previous year by 294%. This brings us back to the levels we would expect, if not higher, following a year of gaining training accreditation and relaunching our training package as three new modules.
- Prison Visitors' Centres: we are responsible for the national coordination of development and oversight of family visitors' centres at prisons across Scotland on behalf of the National Prison Visitor Centre Steering Group and funded by the Scottish Government (Justice, Early Years, and Health).
- Practice Learning: Families Outside supports social work student placements, this year providing three long-term placements to students from three Scottish Higher Educational Institutions, increasing staff capacity and generating income while raising awareness of key issues amongst professionals supporting families affected by imprisonment.
- Policy & practice: We develop policy and practice with local and national statutory agencies as well as internationally through our membership of COPE (Children of Prisoners Europe) and INCCIP (International Coalition for Children of Incarcerated Parents, as Chair). This year, we contributed to 32 policy consultations and research projects, the most prominent of which included the Scottish Government's Social Work Short-Life working group on Impact on Children with Families in Custody; the Scottish Human Rights Commission's National Action Plan for Human Rights (SNAP); and work towards the implementation of the recommendations from the Independent Review of the Response to Deaths in Prison Custody.
- Publicity: We develop and distribute resources for families and professionals, including a wide range of publications such as booklets for children; online publications and videos; website; and regular updates via social media.
- Support for other organisations: We work with families through cross-referral, training, and sharing of information and practice, particularly through delivery of training and through our role as National Coordinator for prison visitor centres.

Trustees' report (continued)

Objectives and Activities (continued)

- Events: we provide exhibitions/presentations/workshops at conferences and events. This has picked up pace again after a slow 2021/22 and included our National Conference "Hidden in Plain Sight: The Cost of Imprisonment to Families" (158 attendees), an online National Prison Visitor Centre conference (95 attendees), and the launch of our report on the financial impact of imprisonment on families.

- Projects, publications, and research activities:

In 2022/2023, Families Outside completed consultation responses on or feedback to:

- Women's Justice Leadership Panel Reference Group
- Legal and Social Issues Committee of the Parliament, Victoria, Australia
- Scottish Sentencing Council workshop on community-based measures in sentencing
- Scottish Parliament Criminal Justice Committee's Call for evidence on policing and mental health
- Scottish Mental Health Law Review
- Consultation on the Children's Care & Justice Bill x 2
- Health, Social Care & Sport Committee Inquiry into Health Inequalities (May 2022)
- Scottish Fatalities Investigation Unit Survey of experience with COPFS
- Improving Victims' Experiences of the Justice System
- Mental Health Law Review
- Mental Health and Wellbeing Strategy
- Bail and Release from Custody (Scotland) Bill
- Changes to the Parole Board (Scotland) Rules
- Scottish Human Rights Commission - Scotland's National Action Plan for Human Rights (SNAP)
- Short-Life Working Group on Inspection of Health in Police Custody
- Child Rights Connect civil society survey on the UN Guidance Note on Child Rights Mainstreaming
- Suicide, prisons, and the police research workshops.
- Changes to the Parole Board (Scotland) Rules 2011
- Short-Life working group on Impact on Children with Families in Custody
- Comm. Justice Scotland survey: commissioning of voluntary throughcare & mentoring
- OSCR survey on proposed changes to the regulation of charities
- Social Justice & Social Security Committee's survey on Charities (Regulation/Administration) (Scotland) Bill
- Consultation: Community Justice Outcome Activity Across Scotland Ann. Report 2021-22
- Community Justice Scotland Stakeholder Survey
- Oral evidence to the Scottish Parliament's Criminal Justice Committee on the Bail & Release from Custody (Scotland) Bill
- Press Recognition Panel's Call for Information on the Effectiveness and Independence of Press Regulation in the UK
- TSH Forensic Network response to the Scottish Government's draft Mental Health & Wellbeing Strategy.

Trustees' report (continued)

Objectives and Activities (continued)

- UWS Dementia in Prisons project
- Draft SPS Family Strategy
- Draft UN Secretary-General Guidance Note on Child Rights Mainstreaming
- With HMIPS: UN Call for evidence on deaths in custody (UN Human Rights Office of the High Commissioner, Special Rapporteur on extrajudicial, summary, arbitrary executions)
- Scottish Health in Custody (SHIC) Network consultation on Mental Health & Wellbeing in Police Custody

In addition to the above, we achieved the following:

- Completed and celebrated our 30th year of work on behalf of children and families affected by imprisonment;
- Continued adaptation of our services to support remote working as well as transitions into blended models of support and engagement;
- Supported ongoing efforts towards implementation of the UNCRC Incorporation Bill;
- Supported the implementation of the recommendations from the Independent Review of the Response to Deaths in Prison Custody, creating and supporting a Family Advisory Group throughout the process;
- Supported the Cross-Party Group on Women, Families, and Justice as co-Secretariat;
- Completed and launched research into the financial impact of imprisonment on families;
- Continued work on a project on sustaining relationships between children and young people in care who have a brother or sister in prison, including support from consultants with lived experience;
- Fed into key local, national, and international strategy groups including the Board of Children of Prisoners Europe (COPE, as Secretary General through June 2022) and the International Coalition for Children with Imprisoned Parents (INCCIP, as Chair);
- Recruited new and vibrant staff team members to revitalise our work and build much-needed capacity;
- Played an active role in the annual Children of Prisoners Europe (COPE) awareness-raising campaign, 'Not My Crime, Still My Sentence';
- Continued our involvement in the New Routes Public Social Partnership, led by the Wise Group;
- Continued an active role with NHS Scotland's Childhood Adversity Hub and the Criminal Justice Voluntary Sector Forum;
- Continued the role as Chair of the International Coalition for Children with Imprisoned Parents (INCCIP); and
 - Launched new publications including:
 - a new edition of our *In Brief* series on "Families' experiences of video calls to prisons";
 - *In Brief* and full report of our work on the financial impact of imprisonment on families, *Paying the Price*.
 - a video about our work, achievements, and future ambitions in celebration of our 30th Anniversary;

Trustees' report (continued)

Objectives and Activities (continued)

- o a series of 12 short videos in collaboration with INCCIP, with two young women from Scotland and the US sharing their experiences of growing up with a parent in prison, addressing issues such as the impact of stereotyping, the importance of support, school, and coping mechanisms; and
- o our annual Impact Report.

3. Achievements and performance

Families Outside's profile and reputation are well-established, with positive relationships built with key statutory and voluntary agencies in the criminal justice sector and beyond. This has been aided by the opportunity to contribute actively to a range of Scottish Government and Scottish Prison Service policy and practice initiatives.

The Regional Family Support Coordinators and Families Outside managers work closely with the Scottish Prison Service and Community Justice Partnerships to assist in the development and implementation of policy and practice regarding families affected by imprisonment.

Families Outside's Support & Information Helpline continues to provide immediate support to families and to the professionals who work with them. It is the first port of call for many families, who receive the support and information they need or can then be linked to further support, including to our regional family support staff. The Helpline also underpins the organisation's influencing activity through provision of current, direct information about the experiences of people with family members caught up in the criminal justice system. We use feedback from the calls to inform the Scottish Prison Service and other relevant bodies of the issues families raise and to identify and highlight good practice. Families and the people supporting them can access the Helpline through its freephone telephone number, webchat, e-mail, social media, and text.

Our previous group work and peer support model ended in summer 2022 following a rethink on the structure of support that could be offered. Following this, we launched our new 'Support & Participation' service for which recruitment of a Support & Participation Manager and three Coordinators (north, east, and west) was completed by December 2022. Through this new structure, individuals can join peer support group tailored to the challenges of coping with imprisonment, in which families are engaged from the very outset; at the point they can contribute to the content of their own support group, or structure and creation where a group does not already exist.

Our group work activities are run to ensure communities are connected and peer support networks strengthened. Individuals can also be supported to take on volunteer roles, delivering befriending services to those requiring 'light touch' or ongoing support. Further, we are creating opportunities for participation for those families who feel stronger now and want to use their voices and experience to influence policy and practice, shape service, call for change, and make a difference.

Trustees' report (continued)

Achievements and performance (continued)

We continue to increase our use of social networking such as Facebook, X (Twitter), Instagram, and LinkedIn, which provides valuable interaction with wider audiences. We now have 6,302 'followers' on Twitter (up 7.5% on 2021/2022) and 1,962 followers on Facebook (up 8.5% on 2021/2022). This online presence has an increasing importance to us as a means to campaign and communicate.

During 2022/2023, Families Outside went through an intensive period of recruitment, following an unforgiving 2021/2022 employment market for all sectors. The result of this was being able to recruit for core functions that were desperately needed within the charity and where these roles had previously fallen as 'add-ons' to the roles of other staff members. These new roles have not only provided invaluable expertise but also allowed other staff to focus wholly on their own role and played a significant part in reducing stress levels, leading to a healthier working environment at Families Outside. The roles recruited included an HR Advisor, Fundraiser, an additional Support & Information Service Worker, and the Support & Participation team noted above.

4. Financial Review

The Statement of Financial Activities shows that Families Outside ended the year with a surplus of £82,578 which compares with a surplus of £126,957 for the previous year. The surplus for the 2022/2023 financial year is made up of the following:

- a. unrestricted surplus totalling £65,938 which resulted in our unrestricted reserves increasing from £298,657 as at 31 March 2022 to £364,595 at 31 March 2023.

With an unrestricted surplus of £65,938 for 2022/2023, Families Outside will apply 'designations' to some funds to be used in 2023/2024, should funds not be able to be raised within the year:

- £26,800 - one-off non-consolidated allowance at £1,000 pro rata for each staff member in 2023/2024.
- £12,000 - website refresh and development work.

- b. a restricted surplus of £16,640 relating to:

- overspend of £12,000 against funds received from The Vardy Foundation at the end of year 2021/2022 to be utilised in 2022/2023.
- underspend of £10,753 from Promise Partnership "Staying Connected" project placed in reserves for use in 2023/2024.
- overspend of £8,279 against funds from Ayr for a project that will conclude in 2023/2024.
- underspend of £2,238 from Children In Need for "Street Sport", placed in reserves for use in 2023/2024.
- underspend of £24,297 from multiple Third Sector Interface "Community Mental Health and Wellbeing funds placed in reserves for appropriate use in 2023/2024.
- overspend of £250 for family support offset against existing restricted reserve for the Discretionary Fund.
- overspend of £119 for peer support work offset against existing restricted reserve for this activity.

Trustees' report (continued)

Financial Review (continued)

The financial position and the review of financial systems and controls of the organisation are monitored on a quarterly basis by the Risk & Audit Committee, which reports to the Board of Trustees.

- Principal funding sources for 2022/2023

Children, Young People & Families Early Intervention Fund	Scottish Government
The Tudor Trust	The Charles Hayward Foundation
The Garfield Weston Foundation	The Vardy Foundation
The Gannochy Trust	The Volant Trust
Children In Need	The Wise Group
KPE4 Foundation	The Robertson Trust
The Big Lottery	Michael & Shirley Hunt Charitable Trust
The Henry Smith Charity	The A B Charitable Trust
The Promise Partnership	Fondation Berfred
The Dulverton Trust	Baillie Gifford
The Standard Life Foundation	Health Improvement Scotland

With funds from these organisations, we have continued to meet the main objectives of Families Outside through the core activities and projects of the charity as detailed above.

In addition, we would like to thank the following local authorities for their contributions in supporting the work of Families Outside: Fife, Highlands, Perth & Kinross, Shetland, Orkney, Dumfries & Galloway, North Lanarkshire, South Lanarkshire and Dundee City.

Additional funds were gratefully received from a number of smaller Trusts, many of them requesting to remain anonymous, as well as donations given by individuals, either directly or via our Total Giving page and platforms such as the Charitable Aid Foundation and Amazon Smile.

- Reserves Policy

The following represents the current reserves position for the organisation arising from past operating results.

a. Restricted reserves	£231,667
b. Unrestricted reserves	£364,595
c. Free reserves	£350,842 (being unrestricted reserves less fixed assets)

The Board would like to apply 'best practice' and maintain the free reserves to a level which would cover about three to six months' forecast operating activity. Based on current costs in 2023/2024, the free reserves amount of £350,842 covers just over three months' worth of operating expenditure. The "operating expenditure" of Families Outside is defined by staff costs, activity costs and office running costs, but excludes any specific funded short term project work.

Trustees' report (continued)

Financial Review (continued)

The current level of free reserves of £350,842 is within the lower end of the desired aim of covering three to six months forecast operating activity. Given current forecast operating expenditure, the optimum amount to cover six months' worth of current operating expenditure would be £725,000.

Although, the organisation has now achieved the lower end of its free reserve policy, Families Outside still endeavours to increase this to the higher end of between £480,000 - £725,000.

The practice taken to increase the reserves level will be one that aims for an unrestricted surplus in 2023/2024. However, this will be a measured approach to ensure any building of reserves, though a prudent practice, does not come at the expense of the organisation's activities in supporting families affected by imprisonment.

In future years, a similar strategy will be used until the aim of four to six months' free reserves is achieved.

The following activities will be carried out by Families Outside to achieve the desired reserves level:

- i. maintain a continuous stream of funding applications and requests to cover and exceed existing costs within the financial year.
- ii. monitor expenditure on a monthly, with cost-cutting measures implemented where they are deemed necessary and appropriate.

5. Plans for future periods

In the forthcoming 2023/2024 financial year, Families Outside will commit itself to the following activities:

- Sustain the high quality and evidence-based support we provide for families through direct support, training and awareness-raising, and development of policy and practice;
- Continue to promote the Helpline as a resource for families and for professionals who can call on our specialist knowledge to assist them in their own work with families;
- Build our offering of support, particularly family to family support;
- Refresh our information and publications for families;
- Continue to provide locally-based support to families affected by imprisonment throughout Scotland;
- Increase participation from families to ensure that families inform everything we do;
- Continue to change the narrative in Scotland around the stigma of a family member's imprisonment;
- Continue to source funding to ensure the sustainability of support to families and key professionals throughout Scotland;
- Continue a programme of student placements to increase our capacity and raise awareness amongst future key stakeholders;
- Follow up the recommendations from our action research on the financial impact of imprisonment on families;
- Complete and launch action research on supporting contact for children and young people in care with a brother or sister in prison;

Trustees' report (continued)

Plans for future periods (continued)

- Lead research to explore and develop evidence-based collaborative support between prisons and schools for children with a parent in prison;
- Continue to support the incorporation of the United Nations Convention on the Rights of the Child;
- Continue to support the implementation of the recommendations from the Independent Review of the Response to Deaths in Prison Custody;
- Improve our training offer to lawyers and the judiciary, embedding an awareness of the UNCRC and its implications in adult criminal courts;
- Embed an awareness throughout practice and decision-making of the impact of imprisonment on the children and families left behind;
- Promote a Scotland in which the rights of children and families affected by imprisonment are embedded and upheld, and the right supports are in place for them;
- Organise and deliver a national Prison Visitor Centre 'road show' on behalf of the National Prison Visitor Centre Steering Group;
- Support children and young people to participate in COPE's annual Not My Crime, Still My Sentence campaign;
- Launch new publications including a new series of resources on the financial impact of imprisonment and support for care experienced children and young people;
- Continue to support the development and quality of prison Visitors' Centres and prison visits; and
- Continue direct development of policy and practice through input to relevant consultations; coordination of the Cross-Party Group on Women, Families, and Justice; participation in the national and regional Scottish Prison Service Children & Family Strategy Groups, Community Justice Scotland, Community Justice Partnerships, and the Scottish Criminal Justice Voluntary Sector Forum; as well as lobbying of Members of the Scottish Parliament and engagement with international bodies.

6. Auditors

A resolution to appoint auditors for the ensuing year will be proposed at the annual general meeting in accordance with Section 487 of the Companies Act 2006. The trustees' report is prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

7. Approval of the trustees' annual report

So far as each director is aware, there is no relevant audit information of which the auditor is unaware. Each director has taken the appropriate steps as trustees to make themselves aware of such information and to establish that the auditor is aware of it.

Signed by order of the Trustees



Linda Bendle
Chair

Registered office:
17 Gayfield Square
Edinburgh EH1 3NX

30 November 2023

Statement of trustees' responsibilities

The trustees (who are also the directors of Families Outside for the purposes of company law) are responsible for preparing of the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for the period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP (FRS 102);
- making judgements and estimates that are prudent and reasonable;
- 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 trustees are responsible for keeping adequate accounting records that 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 and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees and Members of Families Outside

Opinion

We have audited the financial statements of Families Outside (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Independent auditor's report to the Trustees and Members of Families Outside (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the directors' report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditor's report to the Trustees and Members of Families Outside (continued)

As part of our planning process:

- We enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following were most relevant: employment law (including payroll and pension regulations), charity law; and compliance with the UK Companies Act.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board meeting minutes;
- Reading correspondence with regulators including OSCR;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to depreciation rates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Keith Macpherson (Senior Statutory Auditor)

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Statutory Auditor

(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)

11-15 Thistle Street

Edinburgh EH2 1DF

30 November 2023

Statement of financial activities (Incorporating Income and expenditure account)

for the year ended 31 March 2023

		2023 Unrestricted Funds £	2023 Restricted Funds £	2023 Total Funds £	2022 Unrestricted Funds £	2022 Restricted Funds £	2022 Total Funds £
Note							
	Income						
	Donations and legacies	3 531,920	787,122	1,319,042	309,135	854,743	1,163,878
	Charitable activities	4 -	-	-	-	67,690	67,690
	Other trading activities	5 15,420	-	15,420	11,700	-	11,700
	Investments	6 3,090	-	3,090	45	-	45
	Total income and endowments	550,430	787,122	1,337,552	320,880	922,433	1,243,313
	Expenditure						
	Charitable activities	7 484,492	770,482	1,254,974	298,752	817,604	1,116,356
	Total expenditure	484,492	770,482	1,254,974	298,752	817,604	1,116,356
	Net income / (expenditure) being net movement in funds	65,938	16,640	82,578	22,128	104,829	126,957
	Balances brought forward at 1 April	298,657	215,027	513,684	276,529	110,198	386,727
	Balances carried forward at 31 March	364,595	231,667	596,262	298,657	215,027	513,684

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Balance sheet
at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	11		13,753		12,785
Current assets					
Debtors	12	88,944		89,369	
Cash at bank		662,836		619,305	
		<u>751,780</u>		<u>708,674</u>	
Creditors: amounts falling due within one year	13	(169,271)		(207,775)	
Net current assets			<u>582,509</u>		<u>500,899</u>
Net assets			<u>596,262</u>		<u>513,684</u>
Funds					
Restricted funds	15		231,667		215,027
Unrestricted funds			364,595		298,657
Total funds			<u>596,262</u>		<u>513,684</u>

The financial statements were approved and by the Board of trustees at its meeting on 30 November 2023 and subsequently authorised for issue and signed on behalf of the Board by:



Linda Bendle
Chair

Statement of cash flow
for the year ended 31 March 2023

	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities				
Net income/ (expenditure)	82,578		126,957	
Adjustments for:				
Depreciation	9,735		9,886	
Income from investments	(3,090)		(45)	
(Increase)/decrease in debtors	425		(67,482)	
(Decrease)/increase in creditors	10,897		(14,400)	
(Decrease)/Increase in deferred income	(49,401)		117,672	
Loss on disposal of fixed assets	1,495		1,003	
Cash (used in)/ provided by operating activities		52,639		173,591
Cash flows from investing activities				
Investment income	3,090		45	
Purchase of fixed assets	(12,198)		(7,628)	
Cash used in investing activities		(9,108)		(7,583)
Net increase in cash and cash equivalents in the year		43,531		166,008
Cash and cash equivalents at the beginning of the year		619,305		453,297
Total cash and cash equivalents at the end of the year		662,836		619,305
Cash and cash equivalents comprise:				
Cash at bank		662,836		619,305

Analysis of changes in net funds / debt

The charity had no debt during the year. Changes in net funds relate purely to cash flow changes shown above.

Notes

(forming part of the financial statements)

1 Accounting policies

Charity information

Families Outside is a private company limited by guarantee incorporated in Scotland. The registered office is 17 Gayfield Square, Edinburgh, EH1 3NX.

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The financial deficit at the date of signing was approximately £154,000 for the 2023/2024 year, with five months of the year remaining. Commitment to reduce this deficit through fundraising remains the case, with an understanding that a £40,000 unrestricted deficit would be an acceptable result for 2023/2024, given the designations placed on funds in the 2022/2023 year. However, the trustees and the management of Families Outside have nevertheless acted on the expenditure side; applying cost reduction measures to certain activity and office running costs, with these now being very closely monitored while the deficit is addressed through fundraising. Further measures in cost reduction have also been positioned, whereby selected cost centres that do not impact upon service provision, such as training and production of publicity material, will have a strict spending limit and, in some cases, a moratorium placed upon them. Finally, areas of service provision itself have also been identified, should the need arise to reduce expenditure yet further.

Families Outside is acutely aware of the modern-day funding landscape for charitable companies and organisations and the uncertainty therein. As such, consideration of this has been forefront in recent committee and Board meeting discussions with reassurance taken from:

- Families Outside has a significant number of applications which are pending response which would eliminate the current deficit.
- Families Outside has existing income for the year spread over a number of fund providers and as such does not have one single entity that it is critically reliant on.
- Families Outside has revised its funding strategy to draw upon areas of funding that would be new to the organisation, sources that could be built upon, spreading the risk even more broadly.

The trustees have also considered the current free reserves level of the company and that use of these would be permissible, with the current free reserves, together with anticipated fundraising in 2024/2025, being substantive enough to ensure continuation of Families Outside as a going concern for the next 12 months. Therefore, the trustees have assessed and considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are both sufficient, alongside the level of free reserves, for the charity to be able to continue as a going concern.

Notes (continued)

1 Accounting policies (continued)

Income

Income is recognised when the charity has entitlement to the funds when it is probable that the income will be received and the amount can be measured reliably. Donations, grants and similar income are included in the year in which they are receivable, which is when the charity becomes entitled to the resource. Other trading income includes consultancy and research fees, which are recognised when the charity has delivered the service and is therefore entitled to the income.

Income that relates to a future period as a result of donor imposed performance conditions specifying the time period in which it must be used, is treated as deferred income.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. The charity is not registered for VAT and accordingly costs are shown gross of irrecoverable VAT. Where directly attributable, expenditure is allocated to the relevant functional category.

Expenditure on raising funds includes costs associated with generating income for the charity, either through fundraising initiatives or research projects. Expenditure on charitable activities includes costs incurred in supporting the charity and its objectives as set out in the trustees' report.

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charity and its compliance with regulations and good practice. They therefore include the costs of statutory audit, together with the costs of trustees' meeting and some staff costs. Other support costs relate to the administrative costs of running the charity and are allocated to charitable activities accordingly.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Assets below £200 are not capitalised but are expensed in the year they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment	-	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Notes *(continued)*

1 Accounting policies *(continued)*

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity, without further specified purpose and are available as general funds.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes, and therefore is exempt from corporation tax in respect of income applied to its charitable activities.

Operating lease commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Notes (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the charity as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

3. Donations and legacies

	31 March 2023			31 March 2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations and gifts	6,275	-	6,275	7,587	-	7,587
Grants receivable	525,645	787,122	1,312,767	301,548	854,743	1,156,291
	<u>531,920</u>	<u>787,122</u>	<u>1,319,042</u>	<u>309,135</u>	<u>854,743</u>	<u>1,163,878</u>

4. Charitable activities

	31 March 2023			31 March 2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Performance related grant income	-	-	-	-	67,690	67,690
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,690</u>	<u>67,690</u>

5. Other trading activities

	31 March 2023			31 March 2022		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Conference sponsorship	-	-	-	2,500	-	2,500
Conference Fees	8,051	-	8,051	-	-	-
Research income	7,369	-	7,369	9,200	-	9,200
	<u>15,420</u>	<u>-</u>	<u>15,420</u>	<u>11,700</u>	<u>-</u>	<u>11,700</u>

Notes (continued)

6 Investments

	31 March 2023			31 March 2022		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Investments	3,090	-	3,090	45	-	45
	<u>3,090</u>	<u>-</u>	<u>3,090</u>	<u>45</u>	<u>-</u>	<u>45</u>

7 Charitable activities

	Family support work 31 March 2023 £	Family support work 31 March 2022 £
Wages and salaries	935,638	837,972
Meeting costs	3,865	1,563
Helpline	3,986	3,385
Research costs	4,139	3,680
Project development	116,758	130,798
Discretionary Fund	250	2,382
Total direct costs	<u>1,064,636</u>	<u>979,730</u>
Share of support costs (see note 8)	170,241	120,694
Share of governance costs (see note 8)	20,097	15,932
	<u>1,254,974</u>	<u>1,116,356</u>
Analysed by fund		
Unrestricted funds	484,492	298,752
Restricted funds	770,482	817,604
	<u>1,254,974</u>	<u>1,116,356</u>

Notes (continued)

8 Support and governance costs

	31 March 2023			31 March 2022		
	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	£	£	£	£	£	£
Other staff related costs	19,175	9,231	28,406	20,038	10,099	30,137
Depreciation	10,031	-	10,031	10,889	-	10,889
Premises expenses	55,631	-	55,631	46,545	-	46,545
Office running costs	25,721	-	25,721	18,080	-	18,080
Publications	9,146	-	9,146	4,608	-	4,608
Travel	35,158	-	35,158	16,707	-	16,707
Website costs	1,416	-	1,416	2,847	-	2,847
Miscellaneous	1,118	-	1,118	348	-	348
Bank charges	627	-	627	632	-	632
Audit fees	-	10,576	10,576	-	5,602	5,602
Board meeting costs	-	290	290	-	231	231
Events	10,723	-	10,723	-	-	-
Loss on disposal of fixed asset	1,495	-	1,495	-	-	-
	<u>170,241</u>	<u>20,097</u>	<u>190,338</u>	<u>120,694</u>	<u>15,932</u>	<u>136,626</u>
Analysed between						
Charitable activities	<u>170,241</u>	<u>20,097</u>	<u>190,338</u>	<u>120,694</u>	<u>15,932</u>	<u>136,626</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year or prior year. One Trustee was reimbursed expenses of £89 in the current year in respect of conference attendance (2022: no expenses to any Trustees).

10 Staff costs and numbers

	2023 £	2022 £
Employment costs		
Wages and salaries	827,461	751,057
Social security costs	76,585	68,637
Pension contributions – Defined contribution scheme	31,592	28,377
	<u>935,638</u>	<u>848,071</u>

The average weekly number of employees during the year was as follows:

	2023	2022
Number of employees	<u>31</u>	<u>28</u>

The number of employees earning more than £60,000 per annum were as follows:

	2023	2022
£60,000 - £69,999	<u>1</u>	<u>1</u>

Notes (continued)

10 Staff costs and numbers (continued)

Pension contributions of £2,631 (2022: £2,340) were made by the charity on this employee's behalf.

The charity contributes to a defined contribution scheme on behalf of employees. At the year end the charity was due to pay £5,428 (2022: £4,041) to the scheme.

The compensation of key management personnel in the year was £220,040 (2022: £190,178). Key management personnel are deemed to be the Chief Executive, Head of Resources & Development, Head of External Engagement and Head of Family Support.

Termination payments in the year totalled £nil (2022: £14,416).

11 Tangible fixed assets

	Equipment £
Cost	
At beginning of year	53,227
Additions	12,198
Disposals	(3,005)
	<hr/>
At end of year	62,420
Depreciation	
At beginning of year	40,442
Charge for year	10,031
On disposals	(1,806)
	<hr/>
At end of year	48,677
	<hr/>
Net book value	
At 31 March 2023	13,753
	<hr/>
Net book value	
At 31 March 2022	12,785
	<hr/>

12 Debtors

	2023 £	2022 £
Prepayments and accrued income	88,944	89,369
	<hr/>	<hr/>

Notes (continued)

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals	53,438	49,891
Tax and social security	21,106	15,379
Deferred income	92,104	141,505
Other creditors	2,623	1000
	<u>169,271</u>	<u>207,775</u>

Analysis of deferred income

	2023 £	2022 £
Opening balance	141,505	23,833
Income deferred	92,104	(23,833)
Income released to statement of financial activities	(141,505)	141,505
	<u>92,104</u>	<u>141,505</u>

Deferred income represents income received where the performance related conditions attached to the income have not yet been met at the year end.

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to income and expenditure in respect of defined contribution schemes was £31,369 (2022: £28,377).

Notes (continued)

15 Funds

	31 March 2022 £	Income £	Expenditure £	Transfers £	31 March 2023 £
Restricted funds					
The Tudor Trust	-	25,000	(25,000)	-	-
Kelly Family Charitable Trust	3,935	-	-	-	3,935
Discretionary Fund	2,382	-	(250)	-	2,132
Foundation Berfred	6,738	19,899	(19,899)	-	6,738
Peer Support	9,598	-	(119)	-	9,479
Children in Need	8,620	54,641	(52,403)	-	10,858
Robertson Trust	37,000	42,550	(42,550)	-	37,000
Anonymous donor	50,000	-	-	-	50,000
Vardy Foundation	12,000	-	(12,000)	-	-
Charles Hayward	-	24,000	(24,000)	-	-
Promise Partnership	72,050	98,452	(87,699)	-	82,803
Standard Life	11,666	59,057	(67,336)	-	3,387
Scottish Government Digital Fund	1,038	-	-	-	1,038
Secretary of State for Health	-	3,750	(3,750)	-	-
Gannochy Trust	-	30,000	(30,000)	-	-
Wise Group	-	23,600	(23,600)	-	-
Henry Smith	-	25,000	(25,000)	-	-
H.I.S	-	4,985	(4,985)	-	-
Michael & Shirley Hunt Charitable Trust	-	1,365	(1,365)	-	-
Third Sector Interfaces	-	132,986	(108,689)	-	24,297
The Big Lottery	-	75,114	(75,114)	-	-
Cairn Energy	-	15,000	(15,000)	-	-
Scottish Government – Visitors' Centre	-	56,090	(56,090)	-	-
Garfield Weston	-	30,000	(30,000)	-	-
Local Authority	-	49,800	(49,800)	-	-
PACT	-	833	(833)	-	-
KPE4 Charitable Trust	-	15,000	(15,000)	-	-
Total	215,027	787,122	(770,482)	-	231,667

Notes (continued)

15 Funds (continued)

	2021 £	Income £	Expenditure £	Transfers £	2022 £
Restricted funds					
The Wise Group	-	27,376	(27,376)	-	-
The Tudor Trust	-	50,000	(50,000)	-	-
Gannochy Trust	-	25,000	(25,000)	-	-
Michael & Shirley Hunt Charitable Trust	-	1,860	(1,860)	-	-
Kelly Family Charitable Trust	3,935	-	-	-	3,935
Fife Council	-	14,000	(14,000)	-	-
Discretionary Fund	1,263	1,966	(2,382)	1,535	2,382
Fondation Berfred	-	20,000	(13,262)	-	6,738
Peer Support	3,860	5,738	-	-	9,598
Children & Young People Early Intervention Fund	-	135,000	(135,000)	-	-
Scottish Government – Visitors' Centre	-	50,000	(50,000)	-	-
Scottish Government – Winter Hardship	2,600	52,500	(51,841)	(3,259)	-
Children in Need	3,783	43,741	(38,904)	-	8,620
Big Lottery Fund	51,757	-	(51,757)	-	-
Small Trusts	5,500	-	(5,500)	-	-
PACT	-	3,500	(3,500)	-	-
Robertson Trust	-	37,000	-	-	37,000
Charles Hayward	-	20,500	(20,500)	-	-
Anonymous donor	37,500	100,000	(87,500)	-	50,000
Vardy Foundation	-	12,000	-	-	12,000
Promise Partnership	-	98,452	(26,402)	-	72,050
Standard Life	-	40,314	(28,648)	-	11,666
A B Charitable Trust	-	20,000	(20,000)	-	-
Local Authority	-	65,675	(65,675)	-	-
Garfield Weston	-	30,000	(30,000)	-	-
LNER	-	10,361	(10,361)	-	-
Hugh Fraser	-	7,000	(7,000)	-	-
ECC Mental Health Fund	-	26,250	(26,250)	-	-
Canbrick Charitable Trust	-	3,000	(3,000)	-	-
Scottish Prison Service	-	1,200	(1,200)	-	-
Scottish Government Digital Fund	-	-	(686)	1,724	1,038
Death in custody review	-	20,000	(20,000)	-	-
Total	110,198	922,433	(817,604)	-	215,027

Restricted Funds – detail of awards and restrictions on use

- The Wise Group – to fund Families Outside family support work for the "New Routes" project.
- The Tudor Trust - to fund the costs of our Regional Family Support Coordinators in their support of families affected by imprisonment.
- The Gannochy Trust - to fund family support work and helpline support for families affected by imprisonment in Perth & Kinross.
- Michael & Shirley Hunt Charitable Trust - to fund the purchase of essential domestic goods, clothing and childcare items for families affected by imprisonment.
- Kelly Family Charitable Trust - to fund website development.
- Fife Council – to provide funding towards a support worker's salary in the Fife area.
- Discretionary Fund – a small fund used to support families in times of crisis e.g. utility cut off, winter clothing. Payments to a family are made via our support worker who must receive authority from their line manager. Payments are restricted to a maximum of £50.
- Peer support – to fund peer support work and health improvement projects for families and young people.
- Fondation Berfred – to fund the Families Outside Support & Information Helpline.

Notes (continued)

15 Funds (continued)

- Children & Young People Early Intervention (CYPFEIF) – funding towards the core work of Families Outside.
- Scottish Government (Visitors' Centre) – funding towards the post of National Visitors' Centre Coordinator.
- Scottish Government (Hardship) – funding of winter hardship for families affected by imprisonment.
- Children in Need – funding a Street Sport project for young people affected by having a parent in HMP Grampian prison will participate in sport and creative activities at the prison family centre and in the community.
- The Big Lottery - funding towards support work for families affected by imprisonment in the west of Scotland and group and peer support work in Highlands.
- Small Trusts – funding received from small trusts towards the work of Families Outside.
- Death in Custody Review – income towards consultant for their costs into the review of deaths in custody.
- PACT - to provide support to the helpline, taking calls from families in England & Wales.
- The Robertson Trust – income received towards our regional family support work in the community.
- Charles Hayward - grant to fund family support work in the Lanarkshire area.
- Anonymous Donor – to fund the salary costs of the Regional Family Support Coordinators providing holistic support for prisoners' families in Scotland.
- Vardy Foundation – funding towards our regional family support work and work with families of female prisoners.
- Promise Partnership – funds for the project 'Getting it Right for Brothers and Sisters fund'.
- Standard Life – funds for 20 month project on research, policy work and resources to ameliorate financial impacts for prisoners' families.
- A B Charitable Trust – to fund the costs of family support work and operation of the helpline.
- Local Authority – funding from each local authority for support for families within their area.
- LNER – funding towards family support work in the Aberdeen and Aberdeenshire area.
- Hugh Fraser – funding towards family support work in the Glasgow work.
- ECC mental Health Fund – project working with over 16s affected by imprisonment in Edinburgh.
- Canbrick Charitable Trust – grant towards the costs of running Families Outside's Family Support service.
- Scottish Prison Service – funding for research into virtual visits and digital inclusion.
- Scottish Government Digital Fund – funding of digital support for families affected by imprisonment.
- Henry Smith – funding towards our regional family support work and work with families of female prisoners and our regional family support work in Inverclyde.
- Healthcare Improvement Scotland – project work into healthcare within justice, engaging with stakeholders.
- Third Sector Interfaces – Community Mental Health & Wellbeing Fund Round 1 funding towards our regional family support work and support and participation work in the local authority areas where funds were received from.
- Capricorn Charities Committee – funding for family support work in the Lothian & Borders area.
- Garfield Weston Charitable Trust – funding towards the core service provision work supporting children and families affected by imprisonment.
- KPE4 Charitable Trust – funding for family support work in the Edinburgh area.
- Secretary of State for Health – project work into smokefree prisons in Scotland.

Notes (continued)

16 Analysis of net assets between funds

	Unrestricted £	Restricted £	31 March 2023 Total £
Tangible fixed assets	13,753	-	13,753
Net current assets	350,842	231,667	582,509
	<u>364,595</u>	<u>231,667</u>	<u>596,262</u>
	Unrestricted £	Restricted £	31 March 2022 Total £
Tangible fixed assets	12,785	-	12,785
Net current assets	285,872	215,027	500,899
	<u>298,657</u>	<u>215,027</u>	<u>513,684</u>

17 Operating leases

The charity has minimum future commitments under operating leases as follows:

	2023 £	2022 £
Due within one year	47,638	37,672
Due within two to five years	186,863	145,580
Due after five years	65,292	96,000
	<u>299,793</u>	<u>279,252</u>

18 Related party transactions

During the year membership fees of £nil (2022: £125) were paid to Children in Scotland, which had a mutual director with the charitable company for part of the prior year. There was no creditor at the prior year end.

Donations totalling £nil (2022: £780) were received from trustees in the year.

19 Ultimate controlling party

The charitable company is constituted under its Memorandum and Articles of Association and is managed by its trustees.

20 Non-audit services provided by auditor

In common with many organisations of our size and nature we use our auditor to assist with the preparation of the financial statements.