

RELATIONSHIPS SCOTLAND
(formerly Counselling and Family Mediation Scotland)
(Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the period from 1 March 2007 to 31 March 2008

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RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2008

The Directors have pleasure in presenting their report and financial statements for the period ended 31 March 2008

Legal and administrative information

Premises

The charity operates from premises at 18 York Place, Edinburgh

Directors

The directors who served during the year are as follows

H Donald OBE	Joint Chair
B Wright	Joint Chair
P Kenny	Treasurer
D Giltinan	
E Brownlie	
J Philips	Resigned 04 09 2007
Lord Wallace of Tankerness	Appointed 01 04 2008

Chief Executive and Company Secretary

S Valentine

Registered Office

18 York Place
Edinburgh
EH1 3EP

Treasurer

Paul Kenny

Auditors

Chiene + Tait
Chartered Accountants and Registered Auditors
61 Dublin Street
EDINBURGH
EH3 6NL

Bankers

Bank of Scotland
38 St Andrew Square
EDINBURGH
EH2 2YR

Registered Charity Number

SC 038683

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2008

Structure, Governance and Management

Constitution

Andstrat Mediation was incorporated as a company limited by guarantee on 17 February 2006 and changed its name to Counselling and Family Mediation Scotland (CFMS) on 27 June 2007. The Company was granted charitable status from 11 September 2007. CFMS changed its name to Relationships Scotland on 10th April 2008.

Governance

The management of the company is the responsibility of the directors who are elected under the terms of the Memorandum and Articles of Association.

Relationships Scotland recruits directors from all walks of life endeavouring to achieve representation from all our areas of work, representing the views and needs of our members and other stakeholders. We also recognise the significant skills in particular areas that are required of a "balanced" Board and attempt to ensure that we meet the particular areas of expertise required for an effective Board.

New Board members receive an induction pack, the contents of which cover background information on the charity, its history, its core purpose, affiliated services, strategic plans, risk register and Board members' duties.

Seminars are carried out throughout the year as required to supplement the Board's knowledge of developing areas of practice.

Day to day management was delegated to the Chief Executive, Stuart Valentine.

Risk management

The directors will undertake a comprehensive assessment of the major risks to which the charity is exposed and will take steps to ensure that systems are in place to mitigate the exposure to these major risks. An ongoing process of monitoring these risks and assessing risks connected with major new projects will also be implemented.

Objectives, activities, achievements and performances

Objectives

The objectives of the charity are to relieve the needs and promote the welfare of families, individuals and children affected by relationship difficulties by promoting, developing and co-ordinating support services, principally family mediation, child contact centres and confidential counselling services.

In furtherance, Relationships Scotland shall seek to

- ▶ ensure the maintenance of a high level of standards, practice and quality assurance of couple counselling, family mediation, child contact and other family support services as delivered by member organisations through selection, training, supervision, evaluation, accreditation and registration of practitioners,
- ▶ promote and conduct research on aspects of marriage and other intimate relationships, separating and divorced families and family life and to disseminate or ensure the dissemination of the useful results of such research,
- ▶ provide, publish and disseminate information and to educate the public and professionals about the importance of strengthening relationships, the needs of separating and divorced families, the impact of family breakdown and the benefits of relationship support, family mediation, child contact centres and other family support services, and

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2008

- ▶ to develop working relationships with people and organisations concerned with marriage, other intimate personal relationships, separation, divorce and family life

Activities

During the period to 31 March 2008 the company was merely a shell awaiting the merger of Family Mediation Scotland and Couple Counselling Scotland t/a Relate Scotland. Eventually, at EGMs in March 2008 the 2 charities formally agreed to merge into Relationships Scotland with effect from the 1 April 2008. All existing assets and liabilities were transferred to the new charity with effect from 1 April 2008. The new charity will also continue the existing work of the former charities as well as developing new work. Currently a Strategy Plan is being developed covering the period from 1 April 2008 until 31 March 2010.

Achievements and performance

Core work is funded by a 3 year grant from the Scottish Government from the Children, Young People and Families Unified Voluntary Sector Fund. This grant amounts to £ 676,935 per annum. The current grant runs until March 2010. The grant to March 2008 was split between Family Mediation Scotland and Couple Counselling Scotland t/a Relate Scotland. These two charities merged into Relationships Scotland as of 1 April 2008 and all assets and liabilities were transferred over to the new charity with effect from the same date.

Fundraising

To be able to meet our objectives, we must raise funds for our specific activities. During the year there were no direct fundraising activities. Targets for future years will be included in future budgets to ensure that the company is sustainable.

Financial review

Results for the year

Our main source of funding is the Scottish Government. During the period ended 31 March 2008 the only transactions in the company was the receipt of a grant from the Scottish Government to assist with the funding towards expenditure costs incurred by the organisation in pursuing the merger. This grant will be used to cover merger costs identified within Couple Counselling Scotland's accounts to 31 March 2008 and has been included as a creditor in these financial statements.

Reserves policy

As at the period end the company had no unrestricted reserves as they had not commenced operations. The Board of the company will formally agree a reserves policy during the course of the forthcoming year.

Investment policy

The directors have considered the most appropriate policy for investing funds and have found that bank deposit accounts currently meet their requirements for income, low risk, and liquidity.

Plans for future periods

The merger of Family Mediation Scotland and Couple Counselling Scotland t/a Relate Scotland went ahead on 1 April 2008. The new charity is now known as Relationships Scotland and will trade under that name. Relationships Scotland has continued funding from the Children, Young People and Families Voluntary Sector Fund until March 2010.

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2008

Directors' responsibilities

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 charity and the incoming resources and application of resources, including the net income and expenditure of the charity in the year. In preparing the financial statements the trustees are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 charity and enable them to ensure that the financial statements, comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The applicable law also sets out the directors' responsibilities for the preparation and content of the Directors Report.

The directors are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that

- as far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

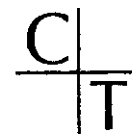
BY ORDER OF THE BOARD



**S Valentine
Secretary**

27th August 2008

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF RELATIONSHIPS SCOTLAND



This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005

We have audited the financial statements of Relationships Scotland for the period ended 31 March 2008 set out on pages 7 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

This report is made solely to the members, as a body, in accordance with section 235 of the Companies Act 1985, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's directors 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 charity, its members as a body and its 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 responsibilities of the trustees (who are the directors of the charity for the purposes of company law) for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements, if the charity has not kept proper accounting records, if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF
RELATIONSHIPS SCOTLAND (Contd.)**



Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities of the state of the Chanty's affairs as at 31 March 2008 and of its incoming resources and application of resources including, its income and expenditure account, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and
- the information given in the Directors' Report is consistent with the financial statements

Chiene + Tait

CHIENE + TAIT
Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

5 SEPTEMBER 2008

RELATIONSHIPS SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

For the period ended 31 March 2008

	Notes	Restricted Funds £	Total 2008 £	Total 2007 £
Incoming resources				
Incoming resources from generated funds				
Voluntary income				
Grant	2	400,000	400,000	
		<hr/>	<hr/>	<hr/>
Total incoming resources		400,000	400,000	
		<hr/>	<hr/>	<hr/>
Resources expended				
Charitable activities				
Grant payable – Relate Scotland		(400,000)	(400,000)	-
		<hr/>	<hr/>	<hr/>
Net incoming resources for the year				
Funds at 1 March 2007				
		<hr/>	<hr/>	<hr/>
Funds at 31 March 2008		<hr/>	<hr/>	<hr/>

The notes on pages 9 and 10 form part of these financial statements

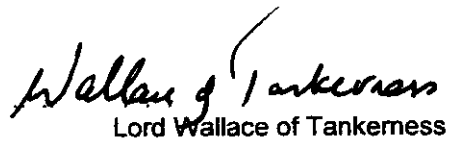
RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2008

	Notes	£	2008 £	£	2007 £
Current assets					
Cash at bank and on hand		400,000			
Creditors amounts falling due within one year	5	(400,000)			
Net current assets					
Total assets less current liabilities					
Funds					
Restricted funds	6				

Approved by the Directors and signed on their behalf by


Lord Wallace of Tankerness

27 August 2008

The notes on pages 9 and 10 form part of these financial statements

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the period ended 31 March 2008

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), Companies Act 1985 and with Charities Accounts (Scotland) Regulations 2006, the Accounting and Reporting by Charities Statement of Recommended Practice 2005, and the company's memorandum and articles of association

Revenue grant income

Revenue grant income is credited in the year in which it is receivable

VAT

The company is not registered for VAT and accordingly expenditure includes VAT where appropriate

Company limited by guarantee

Each member undertakes to contribute an amount not exceeding £1, in the event of the company being wound up

2. Grants receivable	2008 £	2007 £
Scottish Government	400,000	

3. Directors remuneration and expenses

No director received any remuneration during the year or was reimbursed for any out of pocket expenses

4. Taxation

The company is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income

5. Creditors	2008 £	2007 £
Relate Scotland	400,000	

6. Restricted funds

	Balance at 1 March 2007 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance at 31 March 2008 £
Relate Scotland		400,000	(400,000)		

The Relate Scotland Fund relates to a grant of £400,000 received from the Scottish Government to be used to assist with funding costs incurred by the organisation in pursuing the merger identified in Relate Scotland's accounts

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the period ended 31 March 2008

7. Subsequent events

On 1 April 2008 the activities, assets and liabilities of Family Mediation Scotland and Couple Counselling Scotland t/a Relate Scotland were transferred to Relationships Scotland