

RELATIONSHIPS SCOTLAND
(Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2017



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SCT 28/09/2017 #77
COMPANIES HOUSE

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT

For the year ended 31 March 2017

The directors have pleasure in presenting their report and financial statements for the year ended 31 March 2017.

Legal and administrative information

Directors

The directors who served during the year are as follows:

K Darwent – Chair
J Stephen – Vice Chair
I Grimmond – Treasurer (appointed 12 October 2016)
M O'Donnell
J Quinney (resigned 3 May 2017)
J Shepherd
E Turner
R Waterston
B Wright
M MacLeod
S Sutherland
S Maxwell
N Gilchrist
J Smith (resigned 25 May 2016)

Chief Executive and Company Secretary

S Valentine

Registered Office

18 York Place
Edinburgh
EH1 3EP

Auditor

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Bankers

Bank of Scotland
75 George Street
Edinburgh

Registered Charity Number

SC038683

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2017

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 relationship counselling, family mediation, child contact centres and other forms of related family support.

In furtherance, Relationships Scotland shall seek to:

- to ensure the maintenance of a high level of standards, practice and quality assurance of relationship 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;
- to promote and conduct research on aspects of intimate relationships, separating and divorced families and family life and to disseminate or ensure the dissemination of the useful results of such research;
- to 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
- to develop working relationships with people and organisations concerned with intimate personal relationships, separation, divorce and family life.

Shorter and longer term objectives are set out within the Plans for the Future section of this Report.

Activities

To meet these objectives, we carried out the following activities during the year:

- a Diploma in Relationship Counselling for counsellors
- a Counselling Skills Short Course
- a Diploma in Sex & Relationship Therapy
- a Certificate in Family Mediation (Accredited) for mediators
- a Certificate in Family Mediation (Registered) for mediators
- a national programme of Continuing Professional Development (CPD)
- representations of the interests of member services at meetings with national organisations and in negotiations with national agencies and statutory bodies
- policies, procedures and practice guidelines as required by members
- an information and resource service providing specialist information, advice and consultancy as required by members
- continuous publicity of RS and RS service activities through pro-active and re-active media liaison
- continuous improvement and development of publicity and promotional materials to reach the widest population
- facilitate as appropriate "greater coherence" in (family support) service provision on the ground
- consultation with local services-ensure their needs are being addressed for support in mediation, counselling, child contact centres, training and quality assurance
- develop and promote RS training facility-generate income, maximise and expand RS training expertise. Ensure RS services are able to access opportunities with RS for skills development and training relevant to these new mediation and counselling initiatives
- continuous improvement and development of RS information and communication systems
- to continue an informed dialogue with the Scottish Government, in particular the Education Department, to ensure RS services ultimately are delivered within an appropriate legislative and social policy framework which ensures adequate resources are made available, in the interests of Scotland's families
- to continue to comment on central and local government documents as appropriate
- to continue to work with like-minded agencies in the interest of RS services and Scotland's families

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2017

Achievements and performance

Funding of £1.5m was secured from The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) for 2016-2017, continued funding in financial years 2017-2018 and 2018-2019 is subject to the Scottish Parliament making the necessary funds available to the Scottish Government, with levels subject to review going forward and achievement of agreed outcomes. The amount of funding for 2017-2018 has been confirmed at £1.5m

Income in the Training Department is earned from the provision of the Certificates in Family Mediation for trainee mediators, a Diploma in Relationships Counselling for trainee counsellors, a Certificate in Couple Counselling for generic counsellors and a CPD programme for existing mediators and counsellors as well as other shorter training courses.

During the year the numbers of students attending our various training courses were as follows:

| Course | New Students 2016/2017 | Previous Years Students still being supported to Course Completion |
|--|------------------------|--|
| Diploma in Relationship Counselling | 26 | 4 |
| Counselling Skills Short Course | 8 | - |
| Certificate in Couple Counselling | - | 10 |
| Certificate in Mediator Supervision | - | 3 |
| Diploma in Sex and Relationship Therapy | 10 | - |
| Certificate in Family Mediation (Accredited) | 15 | 3 |
| Certificate in Family Mediation (Registered) | 2 | 7 |

In addition, there has been a comprehensive continuing professional development programme (CPD) for counsellors and mediators comprising of the following events:

| Date | Event | Attendees |
|--------|--|-----------|
| Apr 02 | Creative Techniques for Counsellors | 20 |
| Apr 13 | Stepping Together | 20 |
| Apr 14 | Stepping Together | 22 |
| May 19 | What needs? | 16 |
| May 21 | Attachment and Intimacy | 55 |
| Jun 18 | Breaking the Silence | 17 |
| Jun 20 | Mediation Supervisors' Forum | 2 |
| Jun 21 | Counselling Supervisors' Forum | 5 |
| Sep 10 | Science of Attraction | 23 |
| Oct 05 | After the Affair | 17 |
| Oct 07 | Counselling Supervisors' Forum | 16 |
| Oct 08 | Enhancing Group supervision | 15 |
| Nov17 | Mediator Strategies for Building Trust | 12 |
| Nov 24 | Mediation Supervisors' Forum | 19 |
| Jan 28 | Working Across Gender & Diversity | 21 |
| Mar 1 | Working with High Conflict Clients | 16 |
| Mar 2 | Working with High Conflict Clients | 24 |
| Mar 11 | BDSM and other Sexualities | 20 |
| | | |
| | Total | 340 |
| | | |

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2017

Achievements and performance (Contd.)

The Scottish Child Contact Centre Development project was funded by the Robertson Trust and the Dulverton Trust. The funding for this project finishes at the end of May 2017 and we are considering alternative sources of funding for the national support for child contact centres in the future. This project has 3 main outcomes:

- More children and young people will establish/re-establish relationships with their non-resident parent or other significant family member.
- Practitioners are equipped to deliver services that provide for a safe, neutral environment for children and young people.
- Awareness of Child Contact Centres will increase nationally.

Fundraising

To be able to meet our objectives, we must raise funds for our specific activities. See note 5 for details of donations and grants from individuals, companies and charitable trusts.

Financial review

Results for the year

Our main source of funding comes from the Scottish Government. This welcome support allows us to progress many areas of work, however additional fundraising is required to enable us to offer our full range of services. The expenditure on these services is analysed in note 6. The deficit for the year was £279,368 of which £281,963 related to restricted funds, whose income was received in the previous year, and £2,595 was a surplus on unrestricted funds.

Reserves policy

Our unrestricted reserves at 31 March 2017 were £256,513. The aim of the charity is to hold reserves amounting to 3 months of unrestricted expenditure. This is currently estimated to amount to approximately £180,000.

Our Restricted reserves at 31 March 2017 were £193,921. See Note 13 for further details.

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.

Principal risks and uncertainties

The major risks identified by the directors are: governance and management risks such as loss of key Board or staff members; operational risks such as the non-running of our various training courses or CPD programme; financial risks such as inadequate funding; environmental risks such as breakdown in our relationships with funders; compliance risks such as non-compliance with charity, employment and health and safety legislation.

In order to mitigate these risks the charity ensures that the Board are advised of any changes in governance responsibilities and are trained adequately; workplace environments and workloads are monitored and the skills and knowledge of senior staff are shared, all courses are rigorously costed and advertised to ensure sustainability; good working relationships are maintained with the Scottish Government and other funders.

A Risk Register has been developed, detailing these risks and others, and is reviewed by the Board on an on-going basis.

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2017

Plans for future periods

During this period the whole Relationships Scotland Network received support through The Children, Young Persons and Families Early Intervention Fund and Adult Learning & Empowering Communities Fund (CYPFEIF & ALEC) from the Scottish Government. This amounted to £1.5m for 2016/17.

The key plans for the coming years are detailed in the new Relationships Scotland Network Strategy for 2015 – 2018. These include the vision for *'Positive and Respectful Relationships to be at the Heart of Scotland'*.

Together with our network of 22 member services, our aims are as follows:

- Children and their families, couples and individuals, are supported to have better, stronger relationships;
- People in Scotland make the best possible transitions through relationship difficulties, separation and divorce;
- Relationship and family support is fully integrated within national and local public.

Structure, Governance and Management

Constitution

Relationships Scotland is a charitable company, limited by guarantee, which was incorporated on 17 February 2006. The charity was established by a Memorandum of Association, which establishes the objects and the powers of the charity and is governed under its Articles of Association. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

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 and are the trustees for the purposes of charity law.

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.

Board development activities take place each year.

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

Key management personnel and remuneration policy

The directors consider the board of directors, who are also the trustees, and the Corporate Management Team comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis. See note 4 for further details on the reimbursement of expenses to directors.

| | |
|------------------|---|
| Stuart Valentine | Chief Executive |
| Mike Reid | Head of Corporate services |
| Anne Chilton | Head of Professional Practice-Counselling |
| Rosanne Cubitt | Head of Professional Practice-Mediation |
| Heather Lickley | Head of Network Services |
| Ross McCulloch | Head of Communications |

RELATIONSHIPS SCOTLAND

DIRECTORS' REPORT (Contd.)

For the year ended 31 March 2017

All posts within Relationships Scotland have previously had their salaries benchmarked against other similar organisations by Law at Work.

Salary Scales are drawn from the SJC Spinal Column. Under normal circumstances salary scale increments are paid in April every year until the top of the scale is reached. Cost of Living increase is also drawn from the SJC pay scales and will normally be paid in April each year.

Directors' responsibilities

The directors (who are also trustees of Relationships Scotland for the purposes of charity law) are responsible 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).

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 charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any 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 operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors 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.

Small company provisions

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

BY ORDER OF THE BOARD



S Valentine
Company Secretary

23 Aug 2017

We have audited the financial statements of Relationships Scotland for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, 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 (as amended). 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

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

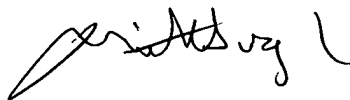
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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



Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

27 September 2017

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

RELATIONSHIPS SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2017

| | Note | General Funds £ | Designated Funds £ | Restricted Funds £ | Total 2017 £ | Total 2016 £ |
|--|------|--------------------|-----------------------|-----------------------|--------------------|--------------------|
| Incoming and endowments from: | | | | | | |
| Donations and legacies: | | | | | | |
| Grants and donations | | 1,500,288 | - | - | 1,500,288 | 1,725,354 |
| Charitable activities | | 152,803 | - | 29,000 | 181,803 | 752,656 |
| Investments – interest received | | 3,813 | - | - | 3,813 | 3,342 |
| Total income | 5 | <u>1,656,904</u> | <u>-</u> | <u>29,000</u> | <u>1,685,904</u> | <u>2,481,352</u> |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | 1,693,327 | 2,142 | 269,803 | 1,965,272 | 2,066,416 |
| Total resources expended | | <u>1,693,327</u> | <u>2,142</u> | <u>269,803</u> | <u>1,965,272</u> | <u>2,066,416</u> |
| Net (expenditure)/income and net movement in funds before transfers | | (36,423) | (2,142) | (240,803) | (279,368) | 414,936 |
| Gross transfers between funds | 13 | <u>34,881</u> | <u>6,279</u> | <u>(41,160)</u> | <u>-</u> | <u>-</u> |
| Net (expenditure)/income and net movement in funds for the year | | (1,542) | 4,137 | (281,963) | (279,368) | 414,936 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | <u>248,213</u> | <u>5,705</u> | <u>475,884</u> | <u>729,802</u> | <u>314,866</u> |
| Total funds carried forward | | <u>246,671</u> | <u>9,842</u> | <u>193,921</u> | <u>450,434</u> | <u>729,802</u> |

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

All activities are continuing.

The notes on pages 12 to 22 form part of these financial statements.


RELATIONSHIPS SCOTLAND

BALANCE SHEET

As at 31 March 2017

| | Notes | 2017 £ | 2016 £ |
|---|-------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | - | - |
| Current assets | | | |
| Debtors | 10 | 41,957 | 31,073 |
| Cash at bank and in hand | | 486,087 | 765,409 |
| | | 528,044 | 796,482 |
| Creditors: Amounts falling due within one year | 11 | (77,610) | (66,680) |
| Net current assets | | 450,434 | 729,802 |
| Total net assets | | 450,434 | 729,802 |
| Funds | | | |
| Restricted funds | 13 | 193,921 | 475,884 |
| Designated funds | 14 | 9,842 | 5,705 |
| General unrestricted funds | | 246,671 | 248,213 |
| | | 450,434 | 729,802 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and were approved by the directors on *23rd Aug* 2017.


K Darwent

Chair

Company No. SC297368

The notes on pages 12 to 22 form part of these financial statements.

RELATIONSHIPS SCOTLAND**STATEMENT OF CASHFLOWS****As at 31 March 2017**

| | Notes | 2017 £ | 2016 £ |
|---|--------------|-------------------|-------------------|
| Cash (used in)/provided by operating activities | 18 | (283,135) | 440,163 |
| | | ----- | ----- |
| Cash flows from investing activities | | | |
| Bank interest income | | 3,813 | 3,342 |
| | | ----- | ----- |
| Cash from investing activities | | 3,813 | 3,342 |
| | | ----- | ----- |
| (Decrease)/increase in cash and cash equivalents in the year | | (279,322) | 443,505 |
| Cash and cash equivalents at the beginning of the year | | 765,409 | 321,904 |
| | | ----- | ----- |
| Cash and cash equivalents at the end of the year | | 486,087 | 765,409 |
| | | ===== | ===== |

The notes on pages 12 to 22 form part of these financial statements.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. Company information

Relationships Scotland is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC297368. The liability of each member in the event of winding-up is limited to £1. The registered office is 18 York Place, Edinburgh, EH1 3EP. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with 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 2016) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Relationships Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As 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. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for carrying amount of debtors.

Fixed assets

Capital items with an original cost of less than £1,000 are not capitalised in the balance sheet.

Depreciation

Depreciation is provided on all other fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected life as follows: -

| | |
|------------------|---------|
| Office Equipment | 3 years |
|------------------|---------|

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

2. Accounting policies (continued)

Pensions

Pension contributions are made to staff personal pension schemes. These are charged to the Statement of Financial Activities in the year in which they are incurred.

Donations, legacies and similar income

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grant income

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities.

VAT

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

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities, with the exception of support costs which have been allocated to activities on the basis of the attributable costs of staff involved in these activities. Costs of charitable activities consist of those applied by the charity in meeting its charitable objectives. Within support costs are governance costs, which include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives, and are those associated with strategic, constitutional and statutory requirements.

Funds

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the directors. Unrestricted funds include designated funds where the directors, at their discretion, have created a fund for a specific purpose. Restricted funds are the funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

2. Accounting policies (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. (Deficit)/surplus for the year

| | 2017 | 2016 |
|--|-------------|-------------|
| | £ | £ |
| (Deficit)/surplus for the year is stated after charging: | | |
| Auditors' remuneration in respect of audit services | 3,063 | 3,099 |
| | ===== | ===== |

4. Staff numbers and costs

| | 2017 | 2016 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Wages and salaries | 397,182 | 413,488 |
| Social security costs | 34,199 | 37,490 |
| Pension costs | 38,008 | 41,458 |
| Redundancy costs | 8,999 | - |
| | ----- | ----- |
| | 478,388 | 492,436 |
| | ===== | ===== |

There were no employees with emoluments over £60,000.

| | 2017 | 2016 |
|---|-------------|-------------|
| | No. | No. |
| The average number of employees during the year was:- | | |
| Corporate Services | 3 | 3 |
| Professional Practice | 10 | 11 |
| Network Services | 2 | 2 |
| Contact Centres | 1 | 1 |
| Public Affairs | 3 | 2 |
| | ----- | ----- |
| | 19 | 19 |
| | ===== | ===== |

No director received any remuneration for services as a director (2016: £nil). During the year, 6 directors were reimbursed £1,216 (2016: £1,108) for travel expenses incurred in attending Board meetings. In the current year no fees (2016: £2,400) were paid to Schofield Smith & Co Limited, a company in which previous director J Smith is a director. These fees were in respect of his services as treasurer of Relationships Scotland.

The key management personnel of the charitable company comprise the Directors, the Chief Executive and the Corporate Management Team. The total employee benefits of the key management personnel of the charitable company during the year were £236,777 (2016: £230,797).

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

| 5. Incoming resources | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Donations and legacies | | |
| Scottish Government- Strategic Funding Partnership | - | 1,725,000 |
| Scottish Government-CYPFEIF Fund & ALEC Fund | 1,500,000 | - |
| Donations | 288 | 354 |
| | ----- | ----- |
| | 1,500,288 | 1,725,354 |
| | ----- | ----- |
| Income from charitable activities | | |
| Scottish Government Parenting Apart | - | 300,000 |
| Scottish Government Parenting Agreement Project | - | 280,000 |
| Continuous Professional Development fees | 22,365 | 11,007 |
| Certificate in Family Mediation (Accredited) | 19,826 | 8,620 |
| Certificate in Family Mediation (Registered) | 160 | 240 |
| DiRC Cohorts | 41,888 | 38,860 |
| External training | - | 919 |
| The Dulverton Trust – CCC project | 15,000 | 15,000 |
| The Robertson Trust – CCC project | 14,000 | 17,500 |
| RS Macdonald Trust – CCC project | - | 10,000 |
| Certificate in Mediator Supervision | 600 | 600 |
| Big Lottery Mwamba Project | - | 9,000 |
| Diploma in Sex & Relationship Therapy | 10,500 | - |
| Short Counselling Skills Course | 2,400 | - |
| External Courses | 75 | - |
| Verifiers training income | 1,448 | 1,115 |
| Certificate in Couple Counselling | 2,630 | 13,150 |
| Room hire | 38,306 | 37,820 |
| Membership fees | 6,825 | 6,825 |
| Miscellaneous income | 5,780 | 2,000 |
| | ----- | ----- |
| | 181,803 | 752,656 |
| | ----- | ----- |
| Investment income | | |
| Bank interest | 3,813 | 3,342 |
| | ----- | ----- |
| Total income | 1,685,904 | 2,481,352 |
| | ===== | ===== |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

6. Charitable activities

| | Communications £ | Network Services £ | Professional Practice £ | Child Contact £ | Corporate Services £ | 2017 £ | 2016 £ |
|---------------------------------------|---------------------|--------------------------|-------------------------------|-----------------------|----------------------------|-----------|-----------|
| Salary costs | 30,754 | 41,853 | 242,046 | 32,063 | 131,672 | 478,388 | 492,436 |
| CFM (A) direct costs | - | - | 7,074 | - | - | 7,074 | 3,424 |
| CFM (R) direct costs | - | - | 479 | - | - | 479 | 386 |
| CPD direct costs | - | - | 12,746 | - | - | 12,746 | 4,938 |
| Supervisor Forum costs | - | - | 276 | - | - | 276 | 383 |
| DiRC Cohort | - | - | 5,213 | - | - | 5,213 | 6,758 |
| Accreditation | - | - | 167 | - | - | 167 | 261 |
| Certificate in Mediator Supervision | - | - | 500 | - | - | 500 | 539 |
| Diploma in supervision | - | - | 86 | - | - | 86 | 1,745 |
| Verifiers training expenses | - | - | 1,174 | - | - | 1,174 | 1,571 |
| Psychosexual therapy | - | - | - | - | - | - | (300) |
| Certificate in Couple Counselling | - | - | 239 | - | - | 239 | 1,509 |
| Short Counselling Skills Course | - | - | 124 | - | - | 124 | - |
| Diploma in Sex & Relationship Therapy | - | - | 1,129 | - | - | 1,129 | - |
| Prostate cancer project | - | - | 2,376 | - | - | 2,376 | 3,259 |
| Dilapidations and office equipment | - | - | - | - | - | - | 3,305 |
| External Training | - | - | - | - | - | - | 531 |
| Network of Member Services | - | - | - | - | 1,071,427 | 1,071,427 | 1,233,143 |
| Member services rebranding | - | - | - | - | 519 | 519 | 86 |
| Parenting Apart Project | - | - | 103,935 | - | - | 103,935 | 125,226 |
| Mwamba Project | - | - | 2,034 | - | - | 2,034 | 5,884 |
| Parenting Agreement Plan | - | - | 108,150 | - | - | 108,150 | - |
| | 30,754 | 41,853 | 487,748 | 32,063 | 1,203,618 | 1,796,036 | 1,885,084 |
| Support costs (Note 7) | 2,000 | 2,789 | 8,789 | 2,049 | 153,609 | 169,236 | 181,332 |
| Total | 32,754 | 44,642 | 496,537 | 34,112 | 1,357,227 | 1,965,272 | 2,066,416 |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

7. Support costs

| | Communications £ | Network Services £ | Professional Practice £ | Child Contact £ | Corporate Services £ | 2017 £ | 2016 £ |
|------------------------------|---------------------|-----------------------|----------------------------|--------------------|-------------------------|-----------|-----------|
| Staff travel and training | - | 422 | 2,400 | 501 | 1,725 | 5,048 | 4,582 |
| Property costs | - | - | - | - | 102,840 | 102,840 | 103,760 |
| Office costs | - | - | - | - | 8,856 | 8,856 | 11,001 |
| Office equipment and repairs | - | - | - | - | 17,189 | 17,189 | 14,186 |
| Legal fees | - | - | - | - | 4,739 | 4,739 | 5,327 |
| Consultancy expenses | - | - | - | - | 2,888 | 2,888 | 6,417 |
| Subscriptions | - | - | 1,217 | - | 2,437 | 3,654 | 4,080 |
| Publications | - | - | - | - | - | - | 46 |
| Recruitment | - | - | 956 | - | 500 | 1,456 | 230 |
| Conference attendance | - | - | 589 | - | 257 | 846 | 1,768 |
| Meeting expenses | - | 2,367 | 3,627 | 1,548 | 4,772 | 12,314 | 14,470 |
| Publicity | 2,000 | - | - | - | - | 2,000 | 5,250 |
| Board expenses | - | - | - | - | 1,554 | 1,554 | 2,000 |
| Other expenses | - | - | - | - | 1,224 | 1,224 | 1,797 |
| <i>Governance costs:</i> | | | | | | | |
| Treasurer's fees | - | - | - | - | - | - | 2,400 |
| Audit and accountancy fees | - | - | - | - | 4,628 | 4,628 | 4,018 |
| Total | 2,000 | 2,789 | 8,789 | 2,049 | 153,609 | 169,236 | 181,332 |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

8. 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.

9. Tangible assets

| | Equipment £ | Total £ |
|---|----------------|------------|
| Cost | | |
| As at 31 March 2016 and 31 March 2017 | 7,848 | 7,848 |
| | ----- | ----- |
| Depreciation | | |
| As at 31 March 2016 | 7,848 | 7,848 |
| Charge for the year | - | - |
| | ----- | ----- |
| As at 31 March 2017 | - | - |
| | ----- | ----- |
| Net book value as at 31 March 2017 | - | - |
| | ===== | ===== |
| Net book value as at 31 March 2016 | - | - |
| | ===== | ===== |

10. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 14,606 | 4,159 |
| Prepayments and accrued income | 27,351 | 26,914 |
| | ----- | ----- |
| | 41,957 | 31,073 |
| | ===== | ===== |

11. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|---------------------------------|-----------|-----------|
| Trade creditors | 15,155 | 26,258 |
| Other creditors | 8,303 | 11,467 |
| Other taxes and social security | 8,482 | 9,669 |
| Accruals | 15,756 | 12,753 |
| Deferred income (see below) | 29,914 | 6,533 |
| | ----- | ----- |
| | 77,610 | 66,680 |
| | ===== | ===== |

Deferred income at the year end comprises:

| | | |
|---|--------|-------|
| Certificate in Couple Counselling | 2,442 | 4,208 |
| Certificate in Mediation Supervision | - | 600 |
| Continuing Professional Development | - | 1,725 |
| Diploma in Relationship Counselling | 17,472 | - |
| Diploma in Sex and Relationship Therapy | 10,000 | - |
| | ----- | ----- |
| | 29,914 | 6,533 |
| | ===== | ===== |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

12. Operating lease commitments

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| The total future minimum lease payments under non-cancellable operating leases are as follows: | | |
| Less than one year | | |
| Buildings | 67,500 | - |
| Others | - | - |
| Two to five years | | |
| Buildings | 50,625 | 135,000 |
| | ===== | ===== |

Subsequent to the year end, the charity entered into a new 10 year lease at £76,500 per annum.

| | Balance at 31 March 2016 £ | Incoming resources during year £ | Transfers during year £ | Outgoing resources during year £ | Balance at 31 March 2017 £ |
|---|-------------------------------------|--|----------------------------------|--|-------------------------------------|
| 13. Restricted funds | | | | | |
| Funds to be applied for the purposes specified by the donors | | | | | |
| SACCC | 861 | - | - | - | 861 |
| Child Contact Centres - Tudor | 3,196 | - | - | (1,762) | 1,434 |
| Child Contact Centres - Dulverton | 3,600 | 15,000 | - | (16,099) | 2,501 |
| Child Contact Centres - Robertson | 2,917 | 14,000 | - | (14,584) | 2,333 |
| Child Contact Centres - RS Macdonald | 1,667 | - | - | (1,667) | - |
| PAS Grant Booklets | 815 | - | - | - | 815 |
| PAS Grant PAG Groups | 2,714 | - | - | - | 2,714 |
| Change Agenda Service Bids | 306 | - | - | - | 306 |
| Prostate Cancer UK | 17,734 | - | - | (2,376) | 15,358 |
| Parenting Apart Programme | 158,958 | - | - | (116,995) | 41,963 |
| Parenting Agreement Project | 280,000 | - | (41,160) | (113,204) | 125,636 |
| Mwamba Project | 3,116 | - | - | (3,116) | - |
| | <u>475,884</u> | <u>29,000</u> | <u>(41,160)</u> | <u>(269,803)</u> | <u>193,921</u> |

SACCC

This relates to membership fees and funds transferred to Relationships Scotland from SACCC.

Child Contact Centres – Tudor

This is unspent monies from the original funding from the Tudor Trust and will be used up for appropriate expenditure meeting the original outcomes of the project.

Child Contact Centres – Dulverton, Robertson and RS Macdonald Trusts

These 3 funders currently provide the, continuation, funding for the project for the Child Contact Centre Development officer and associated costs.

PAS Grant Booklets

This grant is for the production of a relationship booklet.

PAS Grant PAG Groups

This grant is to provide groups to enable parents to access information and improve their parenting following divorce or separation and to demonstrate the impact of this positive parenting on their children.

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

13. Restricted funds (continued)

Change Agenda Service Bids

This fund is money awarded to Orkney, Borders and Ayr out of the Change Agenda for innovative working on the ground.

Prostate Cancer UK

This grant will ensure that men and their partners receive appropriate support for relationship issues which arise as a result of a prostate cancer diagnosis.

Parenting Apart Programme

This project is to set up and provide Parenting Apart Information sessions across Scotland for parents who have separated or live apart in order to help their children thrive.

Parenting Agreement Programme

This grant is to cover the development of materials to support the revised Parenting Agreement/Plan and to run an awareness raising campaign to promote the plan to a wide range of stakeholders. The transfer in the year relates to the management charge for the project.

Mwamba Project

Development and delivery of a training programme in listening skills for a group of African hairdressers in conjunction with Waverley Care.

| | Balance 31 March 2016 £ | Incoming resources during year £ | Transfers during year £ | Outgoing resources during year £ | Balance at 31 March 2017 £ |
|-------------------------------|----------------------------------|--|----------------------------------|--|-------------------------------------|
| 14. Designated Funds | | | | | |
| Parenting Agreement Programme | - | - | 4,359 | - | 4,359 |
| Computer replacement fund | 5,705 | - | 1,920 | (2,142) | 5,483 |
| | <u>5,705</u> | <u>-</u> | <u>6,279</u> | <u>(2,142)</u> | <u>9,842</u> |

Parenting Agreement Programme

This fund is for continued staff support for ongoing specialist support to the project.

Computer replacement fund

This fund is for the ongoing upgrades to the IT and telephony equipment.

15. Analysis of assets between funds

| | Tangible Fixed Assets £ | Net Current Assets £ | Total £ |
|------------------|----------------------------------|-------------------------------|----------------|
| Restricted funds | - | 193,921 | 193,921 |
| Designated funds | - | 9,842 | 9,842 |
| General funds | - | 246,671 | 246,671 |
| | <u>-</u> | <u>450,434</u> | <u>450,434</u> |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

16. Pensions

The company makes contributions to a number of individual arrangements for employees of a defined contribution nature. Contributions are charged as incurred and there were £4,168 (2016: £4,922) of outstanding contributions as at the balance sheet date. Pension costs charged in the year were £34,106 (2016: £41,458).

17. Related party transactions

Relationships Scotland provides funding to local services as disclosed in note 6. Certain directors of Relationships Scotland are nominated by local service organisations but do not represent those organisations. All such payments to local services are on an arm's length basis and no director is involved in calculating the split of available funds to local services.

During the year rent of £16,500 (2016: £16,500) was received from HIV Scotland, of which Mike Reid, Head of Corporate Services, is a director. This transaction was undertaken on a commercial basis. During the year no money was received from HIV Scotland for parking (2016: £250). During the year, rent of £10,260 (2016: £10,260) was received from Scottish Mediation, of which Stuart Valentine, Chief Executive, is a director. This transaction was undertaken on a commercial basis.

18. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|--|------------------|----------------|
| Net movement in funds | (279,368) | 414,936 |
| Deduct interest income shown in investing activities | (3,813) | (3,342) |
| (Increase)/decrease in debtors | (10,884) | 19,410 |
| Increase/(decrease) in creditors | 10,930 | 9,159 |
| | ----- | ----- |
| Net cash (used in)/provided by operating activities | (283,135) | 440,163 |
| | ===== | ===== |

RELATIONSHIPS SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

19. Prior year Statement of Financial Activities

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total 2016 £ |
|--|-----------------------|--------------------------|--------------------------|--------------------|
| Income and endowments from: | | | | |
| Donations and legacies: | | | | |
| Grants and donations | 1,725,354 | - | - | 1,725,354 |
| Charitable activities | 121,156 | - | 631,500 | 752,656 |
| Investments – interest received | 3,342 | - | - | 3,342 |
| Total income | 1,849,852 | - | 631,500 | 2,481,352 |
| Expenditure on: | | | | |
| Charitable activities | 1,874,831 | - | 191,585 | 2,066,416 |
| Total resources expended | 1,874,831 | - | 191,585 | 2,066,416 |
| Net income and net movement in funds before transfers | (24,979) | - | 439,915 | 414,936 |
| Gross transfers between funds | 10,943 | (10,943) | - | - |
| Net income and net movement in funds for the year | (14,036) | (10,943) | 439,915 | 414,936 |
| Reconciliation of funds | | | | |
| Total funds brought forward | 262,249 | 16,648 | 35,969 | 314,866 |
| Total funds carried forward | 248,213 | 5,705 | 475,884 | 729,802 |